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FBIS-SOV-92-028 CONTENTS *11 February 1992*

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ARMS CONTROL & DISARMAMENT

Shaposhnikov on Access to Nuclear Weapons *[Paris LE FIGARO 8-9 Feb]* 1
Proper Discussion of Yeltsin Arms Moves Urged *[KRASNAYA ZVEZDA 8 Feb]* 3
Navy 'Experts' Question Retargeting Program *[SOVETSKAYA ROSSIYA 7 Feb]* 3
Powell on U.S. Role in Global Deterrence *[Moscow International]* 4
Security, Economic Gains in Joining SDI Eyed *[KOMSOMOLSKAYA PRAVDA 6 Feb]* 5
People Polled on Nuclear Strike Potential *[INTERFAX]* 6
Nuclear Brain Drain So Far 'Theoretical' *[ROSSIYA 5-11 Feb]* 7
Arms Expert on Plans To End Scientific Exodus *[IZVESTIYA 5 Feb]* 8
  'Alternative Employment' Considered *[Moscow International]* 8

INTERNATIONAL AFFAIRS

Report on Gorbachev Interview by Japanese TV *[TASS]* 10
Documents Reveal U.S. POWs Kept in GULAG 10
  Found in Gorbachev's Archives *[TASS]* 10
  Search for Pilot Downed in 1950 *[IZVESTIYA 4 Feb]* 11
  'None of the Crew Survived' *[TASS]* 13
Results, Reactions to Davos Participation *[IZVESTIYA 6 Feb]* 13
Regular Aid Cargoes To Fly From Incirlik *[TASS]* 14
Kalugin Denies Rumored American Consulting Link *[INTERFAX]* 14
Three Central Asian Republics To Join OEC *[TASS]* 14
No Alternative for Germans 'Except To Emigrate' *[Hamburg DPA]* 15

INTERREGIONAL AFFAIRS

Commonwealth

Defense Ministers To Meet in Minsk 11 Feb *[Moscow Radio]* 16
General Previews Minsk Armed Forces Talks *[Moscow International]* 16
'Spirit of Distrust' at CIS Meeting *[PRAVDA 10 Feb]* 16

Military

Ukrainian Troops in Siberia Wish To Go Home *[INTERFAX]* 17
Spring Draft Situation Considered 'Serious' *[INTERFAX]* 17
Negotiations To Be Held on Border Troops *[POSTFACTUM]* 17
Planes Dispatched To Evacuate Troops' Families *[TASS]* 18
Northern Fleet Sailors Eager for Cruiser *[POSTFACTUM]* 18
U.S. Consortium Agrees To Build Navy Housing *[TASS]* 18
Widescale Fuel Sales Alleged in Baltics *[BALTFAX]* 18
Space Installations Ownership Problems Explored *[KRASNAYA ZVEZDA 6 Feb]* 19
'Armed Forces Day' To Be Celebrated 23 Feb *[Moscow TV]* 19

Economic

Russia, Ukraine, Belarus Set Up Gas Society *[TASS]* 19

Media

TASS Carries Press Review for 11 Feb 19

RUSSIA

International Affairs

- Yeltsin Welcomes Arrival of International Aid *[Moscow TV]* 21
  - Deliveries Linked to Reforms *[IZVESTIA 7 Feb]* 21
  - Japan Sends Aid to Vladivostok *[Russian TV]* 22
  - Official Interviewed on Aid *[Russian TV]* 22
- Legality of Returning Islands to Japan Examined *[Tokyo KYODO]* 23
  - Territorial Issue Viewed *[Moscow International]* 23
  - Kurils Transfer Encouraged *[POSTFACTUM]* 24
  - Meeting With Japanese 'Hopeful' *[TASS]* 24
  - First Round of Talks Ends *[Tokyo KYODO]* 25
- Shaposhnikov, Gaydar on Talks With France *[KOMSOMOLSKAYA PRAVDA 8 Feb]* 25
- New Ambassador Lukin on Washington Appointment *[TASS]* 26
- Recent Diplomatic Appointments Announced *[IZVESTIYA 7 Feb]* 26

Federation Affairs

- Rutskoy Speaks at Civic, Patriotic Congress 27
  - Working on 'Correctional' Measures *[Russian TV]* 27
  - Assails 'Economic Genocide' *[Moscow TV]* 27
  - Country 'Ravaged' by 'Profiteering' *[POSTFACTUM]* 27
- Further Reportage on Civic, Patriotic Congress 27
  - Internal Disputes Mar Congress *[PRAVDA 10 Feb]* 27
  - 'Russian People's Assembly' Formed *[POSTFACTUM]* 28
  - Need To 'Control' Media *[POSTFACTUM]* 28
  - Leaders Hold News Conference *[POSTFACTUM]* 29
  - Commentary Views Congress *[SOVETSKAYA ROSSIYA 11 Feb]* 29
  - Congress Leaders Interviewed *[INTERFAX]* 31
- Rutskoy Article on 'Way Out' of Crisis *[PRAVDA 8 Feb]* 33
- Khasbulatov Responds to People's Questions *[Russian TV]* 46
- Gorbachev Interviewed by 'Chief Editors' Club' *[Moscow TV]* 52
- Burbulis Meets Industrial, Defense Leaders *[INTERFAX]* 59
  - Government 'To Amend Its Actions' *[Russian TV]* 60
  - Prices Not To Be Regulated *[Radio Rossii]* 60
  - Rejects Ban on Strikes *[INTERFAX]* 60
  - Industrialists Endorse Reforms *[INTERFAX]* 60
- No Results in Miners' Talks With Government *[Radio Rossii]* 60
  - Miners Deliver Strike Ultimatum *[Moscow Radio]* 61
- Government To Free Prices for Gas Products *[POSTFACTUM]* 61
- Economist Says Monetary Policies 'Nonsense' *[TASS]* 61
- Yeltsin Decree Establishes Agricultural Academy *[Russian TV]* 62
  - To Succeed Lenin Academy *[TASS]* 62
  - Romanenko Elected President *[TASS]* 62
- Government To Privatize 42,000 Enterprises *[TASS]* 62
- Price Liberalization Impacts on Stock Exchanges *[TASS]* 62

Supreme Soviet

- Committees To Prepare for START Ratification *[TASS]* 63
- Hearings Begin on CPSU Financial Dealings *[Moscow Radio]* 63
  - Officials 'Sure' To Face Charges *[TASS]* 64
  - Whereabouts of 'Treasures' Unknown *[Russian TV]* 64
- Details of PRC Border Agreement Released *[POSTFACTUM]* 65
- Group To Control Foreign Military Contacts *[POSTFACTUM]* 65
- Hearings on Military's Coup Role Postponed *[Moscow Radio]* 65
- Parliament Examines Human Rights in Cuba *[INTERFAX]* 65
- Commission To Discuss Sovereignty Defense Fund *[POSTFACTUM]* 66
- Resolution on Aid to Foreign Banks Issued *[TASS]* 66
- Officers in Baltics To Receive Passports *[Moscow Radio]* 66

Regional Affairs

- Attacks on Miltary in Chechen Republic Continue ... 66
    - Families of Servicemen Evacuated *[Russian TV]* ... 66
    - Defense Ministry Denies Evacuation *[Russian TV]* ... 66
    - Interior Ministry Troops Leave Groznyy *[TASS]* ... 67
    - Dudayev Orders Curfew, Mobilization *[TASS]* ... 67
    - Soviet 'Nomenklatura' Behind Events *[INTERFAX]* ... 67
    - Weapons Depots Surrounded by Minefields *[INTERFAX]* ... 68
- Cities' Rallies Protest Government Policies *[PRAVDA 10 Feb]* ... 68
- Rallies Protest Reform, Price Liberalization *[IZVESTIYA 10 Feb]* ... 69
- Pro-, Antigovernment Forces Rally in Penza *[Radio Rossii]* ... 69
- Regional Paper: Yeltsin 'Troubled' by Prices *[TSENTRALNAYA ROSSIYA 31 Jan-6 Feb]* ... 69
- Muscovites 'Mentally Ready' for Privatization *[KURANTY 11 Feb]* ... 70
- U.S. 'Guests' To Control Tver Aid Distribution *[TASS]* ... 70
- Tatarstan Discusses Privatization, Name Change *[POSTFACTUM]* ... 70
    - Power Structures, Jurisdiction Viewed *[INTERFAX]* ... 71
    - Budget, Treaty With Russia Discussed *[POSTFACTUM]* ... 71
    - Foreign Economic Policy 'Concept' *[INTERFAX]* ... 71
    - Transfer of Law Bodies Declined *[INTERFAX]* ... 72
    - Faction Leader Criticizes Privatization Plan *[INTERFAX]* ... 72

UKRAINE

International Affairs

- Fokin Appeals To UN Over USSR Assets *[TASS]* ... 73
- Government 'Grateful' to U.S. for Aid *[TASS]* ... 73
- Iranian Foreign Minister on Oil, POWs *[URYADOVYY KURYER Jan]* ... 73
- German Embassy Opens; Envoy Comments on Ties *[Kiev Radio]* ... 73
- Diplomat Views Relations, Treaty With Austria *[Vienna DIE PRESSE 7 Feb]* ... 73
- Diplomatic Ties Established With Vatican *[TASS]* ... 74
- Joint Protocol Signed on Bolivian Relations *[Kiev Radio]* ... 74

National Affairs

- Futher on Kravchuk 6 Feb News Conference *[KOMSOMOLSKAYA PRAVDA 7 Feb]* ... 74
- Sailors Take Oath Despite Command Ban *[Kiev Radio]* ... 74
- Boris Ryabov Appointed First Rear Admiral *[Moscow Radio]* ... 75
- Military Publications Staff To Be Reduced *[POSTFACTUM]* ... 75
- Kravchuk Decree Exempts Arts From Taxes *[Moscow Radio]* ... 75
- Currency, Commercial Board Set Up for Railways *[TASS]* ... 75
- Commentary Criticizes Economic Policy *[URYADOVYY KURYER Jan]* ... 75
- Ex-KGB Employee To Develop Foreign Policy *[Radio Rossii]* ... 76
- Investigation Agency's Hiring Plan Noted *[POSTFACTUM]* ... 76
- Donbass Rebirth Movement Opens Congress *[Kiev International]* ... 77
- Supreme Soviet Orders Epidemic Investigation *[TASS]* ... 77
- Housing for Chernobyl Residents Not Complete *[Kiev Radio]* ... 77

WESTERN REGION

Moldova

- Snegur Interviewed on 'Live Dialogue' Program *[Moscow TV]* ... 78
- Presidential Decree Sets Up Defense Ministry *[Moscow Radio]* ... 81
    - Defense Minister Promoted *[Kishinev Radio]* ... 81
- U.S. Secretary of State Arrives on Visit *[TASS]* ... 81
- Humanitarian Aid Arrives Prior to Baker Visit *[TASS]* ... 82
- Snegur, Muravschi Meet Western Businessmen *[Kishinev Radio]* ... 82
- Trade Agreement Concluded With Romania *[TASS]* ... 82
- Romanian Relations 'Must Encompass Everything' *[Bucharest ROMPRES]* ... 82

- Dnestr 'Republic' Furthers Separatist Efforts ... 83
    - Decree Sets Up Own TV Center *[Kishinev Radio]* ... 83
    - Tiraspol Garrison Seized *[Radio Rossii]* ... 83
    - Appeal to Yeltsin *[KRASNAYA ZVEZDA 6 Feb]* ... 83
- 1991 Agricultural Output Lowest in Decade *[TASS]* ... 84

CENTRAL ASIA

Kazakhstan

- Nazarbayev Concerned Over CIS Armed Forces *[Alma-Ata Radio]* ... 85
    - Views Domestic Issues, Tasks *[Budapest NEPSZABADSAG 4 Feb]* ... 85
- Military Experts Prepare for Minsk Summit *[POSTFACTUM]* ... 86
- Alma-Ata To Propose CIS Financing of Baykonyr *[POSTFACTUM]* ... 86

Kyrgyzstan

- No Action Planned Against Army Jurisdiction *[INTERFAX]* ... 86
- Foreign Minister Views 'Turkic Confederation' *[Istanbul TERCUMAN 5 Feb]* ... 86

Uzbekistan

- Foreign Ministry Denies Afghan Arms Sales *[Radio Rossii]* ... 87
- Official Notes Islamic Party Gaining Power *[Russian TV]* ... 87
- Official Protests INTERFAX Reportage *[INTERFAX]* ... 87
- Karimov To Visit Cairo; Views Relations *[Cairo MENA]* ... 87
- Trade Agreement Signed With Hungary *[Budapest MTI]* ... 87
- Birlik Hunger Strikers Appeal to Baker *[INTERFAX]* ... 88

CAUCASUS

Armenia

- Interior Minister, Security Chief Appointed *[TASS]* ... 89
- Leader Notes Azeri 'Inability To Compromise' *[INTERFAX]* ... 89
- Presidential Adviser on Readiness To Negotiate *[Cairo MENA]* ... 89
- Nagorno-Karabakh Appeals to Russia for Rubles *[Moscow TV]* ... 90
- Security Council 6 Feb Meeting Reported *[Yerevan Radio]* ... 90
- All Republics Recognized Except Azerbaijan *[Moscow Radio]* ... 90
- Relations Established With Germany, Others *[ARMENPRES]* ... 90

Azerbaijan

- Unrest in Nagorno-Karabakh Continues ... 90
    - Clashes Leave Dead, Injured, Damage *[TASS]* ... 90
    - Tensions Rise in Shusha District *[INTERFAX]* ... 91
    - Conditions 'Extremely Explosive' *[Yerevan Radio]* ... 91
    - Iranian Mediation Sought *[TASS]* ... 91
    - Minister Requests Turkey's Help *[Ankara TURKISH DAILY NEWS 4 Feb]* ... 92
- Baku To Insist on National Army Creation *[POSTFACTUM]* ... 92
- Gasanov: Republic 'Will Not Pay' USSR Debt *[POSTFACTUM]* ... 93
- Gasanov Receives U.S., Turkish Delegations *[Baku Radio]* ... 93
- CIA Accused of Seeking To Separate Nakhichevan *[Russian TV]* ... 93

Georgia

- Sigua Interview Optimistic About Future *[Moscow TV]* ... 93
    - Stabilization by 'Mid-March' ... 94
    - Foreign Investment Vital *[INTERFAX]* ... 94
- Provisional Government Statement Circulated *[INTERFAX]* ... 94
- Commonwealth Documents Studied; Prospects Good *[INTERFAX]* ... 95
    - Food Imports Agreement Joined *[INTERFAX]* ... 95

'Mkhedrioni' Units, Guards at Russian Border *[INTERFAX]* 95
Gamsakhurdia Accuses CIS of Coup Recognition *[INTERFAX]* 95
  Negotiations Did Not Occur *[Tbilisi Radio]* 96
  Gamsakhurdia Interviewed *[Russian TV]* 96
'Isolationist' Economics Blamed for Conditions *[INTERFAX]* 96
Ministers of Agriculture, Economy Appointed *[Tbilisi Radio]* 96
Delegation Visits Spain To Seek Out King *[Madrid Radio]* 97
Envoy to Iran Meets Deputy Foreign Minister *[Tehran Radio]* 97

BALTIC STATES

Latvia

Acute Fuel Shortage Affects All Industries 98
  Godmanis Meets Businessmen *[Riga International]* 98
  All Flights Grounded *[Riga International]* 98
  Godmanis To Visit Egypt, Yeman *[TASS]* 98
Parliament Asks CIS States To Recall Troops *[Radio Rossii]* 98
Ambassador to Russia Interviewed on Relations *[NEZAVISIMAYA GAZETA 8 Feb]* 98
Protocol With China Broken by Taiwan Contact 99
  Ambassador's Accreditation Delayed *[INTERFAX]* 99
  Statement on Relations *[Riga International]* 99
Skrunda Radar Site Problem To Be Discussed *[BALTFAX]* 99

Lithuania

Leaders, Quayle Hold News Conference *[Vilnius Radio]* 99
  Landsbergis Comments on Visit *[Vilnius Radio]* 100
Minister Rejects Accusation on Arms Sale *[POSTFACTUM]* 101
Prime Minister Views Economic Situation *[EKHO LITVY 23 Jan]* 101

Shaposhnikov on Access to Nuclear Weapons

PM1002140492 Paris LE FIGARO in French 8-9 Feb 92 p 2

[Interview with Marshal Yevgeniy Shaposhnikov, commander in chief of the Commonwealth of Independent States Armed Forces, by Laure Mandeville; place and date not given]

[Text] [Mandeville] Did your conversations with French Defense Ministry representatives (the minister, Pierre Joxe, is at present visiting the United States—LE FIGARO editor's note) enable you to reach any specific decisions on security matters?

[Shaposhnikov] We reaffirmed the foundations of the bilateral agreement that France and the Soviet Union signed in 1991. But our military cooperation will no longer be confined solely to meetings between ministers. Starting in March our officer cadets will come here on training courses, and French soldiers will join our academies. This is essential to an understanding of our joint interests. The dialogue will thus become easier than that which I have with Pierre Joxe, for instance. We barely know one another, so we have spent some considerable time in assessing our respective personalities.

[Mandeville] Were you able to reassure French leaders on the nuclear issue?

[Shaposhnikov] My French counterparts are very anxious about nuclear launch control. We clearly explained to them who is in charge of this. I repeat: Strategic nuclear weapons are under a single control.

[Mandeville] Under the control of President Yeltsin and yourself?

[Shaposhnikov] Yes. As for tactical nuclear weapons, they are not about to disappear. Nobody is about to hand over nuclear weapons to the highest bidder. We are not crazy; we are aware of the dangers that exist.

[Mandeville] You seem somewhat reluctant to accept France's proposals for storing and destroying these weapons.

[Shaposhnikov] A distinction must be drawn. When somebody proposes helping us to protect and store tactical weapons and to organize their transport to Russia, we are rather surprised, because we have some experience in this field. We have already brought back many of the missiles from Eastern Europe and the Baltic. We can handle this delicate matter ourselves.

On the other hand, we are willing to cooperate with the French and others in recycling the missiles' plutonium for civilian purposes.

[Mandeville] Do you support Francois Mitterrand's proposal of a conference of the four major nuclear powers?

[Shaposhnikov] Definitely. We are willing to discuss a drastic reduction of nuclear weapons anytime.

[Mandeville] On 14 February you will be attending a meeting crucial to the Red Army's future. What do you expect from this meeting? Are you not worried about the demands of certain republics such as Kazakhstan, which seek the right to veto the use of the nuclear button?

[Shaposhnikov] I myself have not read the whole of the Kazakh statement, except in the press. So I remain cautious. Because many statements have been distorted by the past [par le passe—possible misprint for par la presse, by the press, or dans le passe, in the past].

[Mandeville] Did you not clarify this point with Kazakh President Nursultan Nazarbayev?

[Shaposhnikov] No. I have not spoken to him since that statement.

[Mandeville] Not even to plan the 14 February Minsk meeting?

[Shaposhnikov] No.

[Mandeville] Would you accept a Kazakh right of veto?

[Shaposhnikov] If we want to live together in a Commonwealth, I consider this undesirable. It is better for nuclear launching to remain under a single control. However, the issue can be examined if the Kazakh president so wishes.

[Mandeville] Other acute problems will be broached in Minsk—for instance, the appropriation of defense systems by the various republics, the sharing out of the former Red Army....

[Shaposhnikov] I am against sharing it out. But I cannot overrule the wishes of the independent states. If these states so desire, if their laws require this, I must accept it.

So my position is this: to move toward independent armies, but without hurrying. I am in favor of a transitional period in which the unified forces will be kept under a single control. During this period the states that so wish can gradually lay the foundations for new armies, establish their defense ministries, and identify which officers do not want to serve in their own countries so that they can be received in Russia.

[Mandeville] Some have not waited—such as Ukraine, which has already established its own forces....

[Shaposhnikov] Ukraine began this task back in September. It has a whole pile of laws on defense. The only thing that I would not do if I were in its leaders' place would be to oblige officers who have already served in the Red Army to swear allegiance to Ukraine.

[Mandeville] Why not?

[Shaposhnikov] To avoid traumatizing them. Even at the time of the revolution, when the Tsarist Army had to join the ranks of the Red Army, there was no new swearing in for those already in service.

[Mandeville] Will the Black Sea fleet be divided up?

[Shaposhnikov] When speaking about Ukraine's potential fleet, it is necessary to know what its purpose will be. As far as I am concerned, such a fleet should serve to protect the coasts of the Ukrainian state, to combat smuggling...the same tasks performed by some 20 percent of the present Black Sea fleet.

The rest should belong to the Commonwealth of Independent States [CIS] and defend its strategic interests.

[Mandeville] At the height of the controversy Yeltsin said that the fleet will be Russia's...

[Shaposhnikov] True, he did say that once. But then we went to Crimea together before leaving for the United States (that is, at the very time when Yeltsin disappeared from Moscow—LE FIGARO editor's note). During his visit an officer asked him whether his presence reflected his desire to appropriate the fleet to Russia. Yeltsin replied that the fleet must belong to the Commonwealth; that all the presidents—and not just Kravchuk and Yeltsin—must be entitled to visit Sevastopol. He is right! All the republics helped to finance the fleet. Not just Ukraine!

[Mandeville] Do you not see a worrying contradiction between the wishes of several republics and those of the military community as a whole? At the Kremlin meeting last month the military clearly stated that it wants united forces.

[Shaposhnikov] Many of our officers still do not know where they are, what time they are living in, in which country. They think that they are still living in the Soviet Union or that they can backtrack.

These people are agreed on putting political pressures on the president, using tough methods and ultimatums. I am against this. The Russian president was elected by the people. By issuing him with ultimatums, the military would actually be issuing ultimatums to the people whom it is supposed to serve. That would have very bad consequences.

I regret that some members of the military support such an approach. Fortunately they are a minority.

[Mandeville] What will happen in a year's time, if their social problems and problems of status are not resolved?

[Shaposhnikov] I think that the most distressing period is now.

[Mandeville] But is it not dangerous to permit—and even encourage—the forces' entry into politics, as was done at this meeting of officers at the Kremlin? When he was there Yeltsin issued a warning....

[SHaposhnikov] I would have preferred all the presidents to have been there. It would have resolved many problems and calmed the proceedings. But the presidents, who met just before, preferred to delegate Yeltsin and Nazarbayev.

I must say that Boris Nikolayevich was worried about this meeting of officers. For my part, I thought that there could be extreme stances, ultimatums, but no danger of people's going too far. The establishment of a coordinating council of officers is a good thing. It works in close coordination with the general staff.

[Mandeville] Is it not autonomous?

[SHaposhnikov] Of course not! How could it be autonomous? However, during the transition period that we envisage it will perform its own role, will collect information about the mood and the situation in the armed forces. This will be useful.

[Mandeville] Why is there still no law on social protection for military personnel in Russia?

[Shaposhnikov] Ukraine is ahead because it has started building its own armed forces. But we do not envisage establishing Russian armed forces. This, because it would also mean the end of any unified forces within the CIS. Do not forget that six republics are agreed on maintaining united forces—Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Armenia.

[Mandeville] You mentioned the possibility of establishing a CIS intervention force to act as a buffer in national conflicts, as in Karabakh...

[Shaposhnikov] I think that this could be useful for stopping bloodshed. The proof of this is that there is already talk of sending UN peacekeeping forces to Karabakh. I must say, however, that I do not much like this idea. Can we not resolve this conflict ourselves? It would be possible to envisage a contingent that would be not under my control but under that of the CIS chiefs of staff.

[Mandeville] Is the CIS a fiction, or will it endure?

[Shaposhnikov] I think it will endure. But maybe not in its present composition...with fewer members....

[Mandeville] Where will the armed forces withdrawing from the Baltic go?

[Shaposhnikov] The withdrawal will take a long time and will be accompanied by a reduction of the period of military service. We also hope that Boris Yeltsin's promises of help to the military will be honored...You know, I dream that some day we will at last have armed forces that no longer have to worry about accommodation, food, and clothing.

Proper Discussion of Yeltsin Arms Moves Urged

PM1002104692 Moscow KRASNAYA ZVEZDA in Russian 8 Feb 92 p 2

[Article by KRASNAYA ZVEZDA observer Aleksandr Golts under the "Topic of the Week" rubric: "The Yeltsin and Bush Initiatives: Who Is Discussing Them, and How?"]

[Excerpt] [passage omitted] As used to happen before, we first learned of important moves by our leadership in the security sphere from the foreign media (this was the case with B. Yeltsin's recent ABC television interview). Even when new initiatives finally become known, it is virtually impossible for us to clarify or find out additional details (which the Americans can do, with their hearings in Congress). Unlike Bush's proposals, Yeltsin's initiatives have not yet, in my view, been properly discussed in the Russian parliament.

It might be assumed that time is already allotted in the Russian Federation Supreme Soviet's work plans for examining all these problems. But for the time being it seems that the Russian president has decided to inform the public at large of his views via the mass media. Which was why he held a meeting with the chief editors of certain publications (unfortunately, KRASNAYA ZVEZDA was not invited).

But only NEZAVISIMAYA GAZETA gave a more or less detailed account of the content of that meeting, rather than confining itself to a brief report. It was from this account that I learned of one important aspect of the Russian-U.S. talks: Apparently B. Yeltsin persuaded the Americans not to manufacture "Ohio" missile-carrying submarines any more. I also learned that what Russia means by a global defense system is merely joint tracking and notification, which, to be frank, is rather different from the tasks set for SDI. B. Yeltsin also informed G. Bush that the Union leadership had misled the Americans both on the question of manpower reductions, and on chemical and bacteriological weapons. Whereas the question of manpower is more or less clearly understood (it was decided to reduce not establishments, but actual numbers), questions arise with, for instance, chemical weapons. In what way were the Americans misled: Did we understate the quantity of chemical weapons, or did we give an unrealistic time scale for their destruction?

Here I would like to stress that it is time to put an end to the established tradition whereby those engaged in the analysis of military matters in our country are rather like paleontologists. That is to say, from a few excavated data, maybe a phrase in an official report or an item in an American newspaper, they try to put together a full picture of our own approaches to these very important questions.

KRASNAYA ZVEZDA's mail indicates that readers are not only worried about social problems, but also about questions of national security. Can the defense capability of Russia and the CIS [Commonwealth of Independent States] be ensured, given such large-scale reductions? Will these reductions be an additional burden on our economy? These questions require an answer. Otherwise those who see the abandonment of confrontation as some kind of betrayal of national interests will have plenty of scope for all kinds of speculations.

Thank heaven, the days of universal "approval" and secrecy taken to ludicrous extremes have gone. Today the public, to say nothing of the legislators, are entitled to know how the government intends to ensure the state's defense and how much money will be needed for particular projects, including the arms race.

Navy 'Experts' Question Retargeting Program

PM1002144792 Moscow SOVETSKAYA ROSSIYA in Russian 7 Feb 92 p 1

[Interview with "Navy long-term planning experts" by A. Orlov: "Where Have Our Missiles Been Retargeted? Plaudits for Politicians, Brickbats for Brass Hats"—first paragraph is editorial introduction]

[Text] Let me say straight away: We did not manage to find an answer to our question at any level. Staff in various qualified departments—from the Russian Foreign Ministry to the military department—listened and then replied merely with general phrases on the restructuring of our foreign policy. It was only long-term planning specialists from the Navy, which has a considerable nuclear potential, who offered to discuss specific issues. Furthermore, they did not so much answer the questions as pose new problems.

Captain First Class S. Kozyrev: We can only welcome any initiatives aimed at lowering international tension. Including those put forward by B.N. Yeltsin. But very many people today are worried by the question of where the former Soviet missiles will be retargeted.

From the specialist, military viewpoint I would like to say that when the state's top leader declares that the missiles will no longer be aimed at U.S. cities that is how it will be. But at the same time, it would be hasty to close one's eyes to the fact that military bases, arsenals, command centers, and other purely military installations still exist on U.S. territory. This complex of military power can still represent a danger. This must be taken into account, clearly.

Rear Admiral V. Prozorov: It has already been stated that the United States and Russia no longer regard one another as opponents...I think that these statements are positive reciprocal political steps and evidence of many positive changes in the world. But at the moment these are only statements; work is needed if they are to become reality. Furthermore, there are now more questions than existed before the statements—throughout the world. There are different attitudes toward them in the developed countries, the former socialist countries, and the developing countries. If our missiles are no longer targeted on the United States and America's missiles are not going to be targeted on us (which, incidentally, no one has actually stated yet), will the former and latter missiles not be retargeted on third countries? Which ones, to be precise? Britain, China, Japan, or Iraq? This also requires explanation from the politicians today including not only for the governments of states but for their own peoples, and for the military on duty right by those missiles themselves....

S. Kozyrev: A strange situation has indeed been created today. Military people, not only in our country, are racking their brains, wondering: Just who is their potential enemy? The Armed Forces, an essential attribute of any state, are organized in such a way that they cannot exist without a specific concept of the potential enemy. But this concept is becoming increasingly vague.

The Americans worked out their position long ago. They have always said: Our main enemy is the USSR but we must be ready to avert a threat to U.S. interests in any region. So that even by "removing" Russia from the list of enemies they are not changing anything in their doctrine at all. Whereas we have to organize our doctrine anew. So, like all civilized countries, let us look at things soberly. That is, let us work on the basis that we have no permanent friends or enemies but we do have permanent national and state interests. By defining those interests and formulating them clearly, we will be able to discuss ways of achieving or protecting them, including by military means. But for the time being, it seems to me, many things are happening the other way around. Hence the questions, ranging from military reform to the targeting of missiles.

V. Prozorov: Unfortunately, the policy of recent years suggests that quite probably we will soon simply have nothing left with which to defend those interests. However difficult it may be, we must not try to overcome the economic crisis at the expense of defense and the Armed Forces alone. That is suicidal for the nation. The Army and the Navy are instruments for the preservation of the country. After all, despite the U.S. and NATO statements that they have changed their attitude toward us, they still have their nuclear submarines in the Mediterranean and in the seas off Norway even now. In other regions they have multipurpose ships capable of tackling the same missions with cruise missiles as with strategic missiles. And, as is well known, NATO is examining the possibility of conducting naval maneuvers in the Black Sea. Why do you think that is?

Captain First Class V. Moiseyenko: The politicians exchange smiles but the world, it seems, changes little. Unfortunately, our country today is in a situation where it cannot influence world equilibrium in all spheres as it used to. But we continue to play a significant role in preserving the military balance and peace. However, instead of being supported, the fleet, which is going through hard times now, is being reduced to starvation rations—just 14 percent of the military budget last year and it will hardly be any better this year. Furthermore, several dozen obsolete ships have been withdrawn from service in the North and Pacific fleets. In the light of recent initiatives, let us add to that figure a further unspecified quantity, including six strategic vessels. What next? After all, these ships have to be dismantled, their reactors must be recycled. In other words, special capacities are needed. If ships stand idle at the bases a year too long without being stripped down, they will turn from being defenders of the fatherland to a direct threat to it. It will be dangerous even to touch the reactor cores.

S. Kozyrev: I am afraid that the military will end up as the culprits again.

V. Moiseyenko: In July 1991 we secured the adoption of a state program for the recycling of nuclear-powered ships which had completed their service and specific financing for this program. Today, unfortunately, it seems that everyone has forgotten about this except the fleet. The fleet cannot do this, but someone has got to—you cannot fool around with the environment.

S. Kozyrev: There is something else which alarms us—as people who not only study military prospects but also who think about national interests, too. Whether we like it or not, there are still two political centers in the world, two political poles—the United States and Russia. They will always compete—if not in the military sphere then in others.

The United States today particularly needs to win time. To gather its forces together and redistribute them. Whereas we are now obsessed with the idea of making the world homogeneous—for the sake of its harmony we are sacrificing our interests regardless of the cost.

But let us consider 1914. The world was quite homogeneous then. However, this did not save the country from the world carnage. The question is: Where are the guarantees that we will avoid world war three in a new, homogeneous but less stable society? What will make the world a safer place? Experience? Unfortunately, it is not an absolute guarantee. Queen Elizabeth is not Boris Nikolayevich's sister, and Bush is not related to Kravchuk or Nazarbayev. I mention this because links of that kind existed back in 1914...

In short, it is still too soon for Russia and the Commonwealth of Independent States to disarm recklessly. Balance in all things is good.

Powell on U.S. Role in Global Deterrence

LD0902011692 Moscow Radio Moscow World Service in English 1810 GMT 7 Feb 92

[Text] During hearings in the Senate Armed Services Committee, the Chairman of the Joint Chiefs of Staff Gen. Colin Powell said that now that the "cold war" was over the United States should take the course of global deterrence. Our commentary is by Vladislav Kozyakov:

The concept of deterrence appeared in the days of confrontation between Moscow and Washington. Today the term is applicable only to strategic forces of the two superpowers. But is it worthwhile, now that the cold war is over, to orient the policy of the United States towards global deterrence? This has become evident from the speech of the chairman of the Joint Chiefs of Staff. The Pentagon intends to preserve throughout the world a wide network of military bases and forward based troops not withstanding the current cuts in the armed forces. This cannot but give rise to many questions since the United States global military infrastructure was brought to life by the global confrontation between East and West.

So why should it remain now that the situation in the world has radically changed for the better and practically all local conflicts have been settled in Central America, South Africa and South East Asia? What's the use of spending billions of dollars? The American top officials argue that many regional states have large armies. They also have serious differences, territorial claims to one another and even conflicts. In this situation, national interests of the United States could be endangered.

This was the gist of Gen. Powell's speech in the Senate Armed Services Committee. He tried to persuade congressmen that the United States should have sufficient strength to deter or rebuff any aggression in Europe, the Middle East, Asia or elsewhere in the world. He reportedly told journalists on Tuesday [4 February] that he wished that all other states have a mortal fear of America.

Meanwhile, brighter prospects are opening up for the United States than those of being the world's policemen. The end of the cold war may give impetus to building a new world order. As the American President has lately put it, now the Americans will be able to create, invent, construct, and produce—thus ensuring America the role of the world's leader. To ensure security and national interests, the United States could now cooperate with Russia and other states and use the rostrum of the United Nations. Be that as it may, now that Moscow and Washington have ceased to be enemies the time has come to develop new concepts, including those of global problems.

Security, Economic Gains in Joining SDI Eyed

PM1002090392 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Feb 92 p 3

["Viewpoint" interview with Sergey Chernyshev, analyst at the Political Analysis Center headed by A. Bessmertnykh and president of the "Gumanus" intellectuals' club, by V. Umnov; place and date not given: "Russia-United States: Who Has the Bigger Laser Gun?"]

[Text] [Umnov] What is SDI American-style?

[Chernyshev] There were various technical options for SDI implementation. The chief objective was to destroy all missiles with a mass salvo. You could suspend a cloud of solid particles in the flight path—because of the massive difference in velocity, the missile turns into a sieve. The most primitive method is where "antimissiles" shoot them down as they enter the dense layers of the atmosphere or intercept them in orbit, although, in this case, defense is considerably more expensive than attack.

It was the appearance of laser weapons that gave substance to this idea. A missile can easily be picked up during its ascent by a tracking satellite from the heat signature in the atmosphere. As soon as it enters the vacuum of space the laser beam will burn it up.

[Umnov] They say the possessor of a missile can outsmart SDI....

[Chernyshev] What they have in mind is cruise missiles, or, for example, carrying a bomb in a suitcase.

The cruise missile argument is easily destroyed. It flies at low altitude. For goodness' sake, let us arrange a laser "barrier" along the border, so that any unauthorized object that overflies it is automatically burned up by a sheaf of laser fire. Civil aircraft will send out standard signals.

As for the suitcase...There are various detectors at airports. But why should a person go to the lengths of carrying a very complex device in a suitcase in order to blow up New York? He could just as easily buy a missile and set it up on his own sovereign territory...It is much cheaper.

[Umnov] Could the Americans make an exclusively defensive shield?

[Chernyshev] It is technologically possible. But who would verify it? Saddam Husayn would not believe them.

But that is not the point. SDI has a fundamental feature that goes unnoticed. Laser weapons operate at the speed of light, and that is a fundamentally new feature in military history.

[Umnov] Eh?

[Chernyshev] In the history of armaments the warning system has always acted more quickly than the attack system. The Pershing missile reaches its target in eight minutes, an ICBM in half an hour, whereas the warning system operates at the speed of light.

As soon as the laser component appeared, the situation changed. For example, one side's tracking satellites blind or blow up the enemy's warning satellites. The enemy is totally disabled!

So we are forced from the outset to program our satellites in such a way that they react to an attack themselves, without waiting for a command.

Humans are totally excluded from the command and control cycle! This mathematical task was tackled by

Academician Raushenbakh. He demonstrated that if there are two systems incorporating a laser component and if they are both truly geared to a defensive strategy, then the logic of the development of collaboration in the struggle between them is such that a suicidal conflict inevitably breaks out.

[Umnov] So there should only be one space shield?

[Chernyshev] Exactly. It is the kind of property that cannot be private property! Facilities of that kind must be public property. They must have one owner—a third party.

Back in 1985 we proposed that this middleman should be formed on the basis of existing structures—for example, the nonaligned movement or United Nations—and represent the interests of the world community.

[Umnov] Who, us?

[Chernyshev] In 1985 I and my friend Viktor Krivorotov—he now works at our embassy in the United States—met with Bruce Weinrod, director for questions of foreign policy and defense at the "Heritage Foundation"—brain trust of the then U.S. administration. He was directly involved in the conception of SDI.

After our conversations we drew up a memorandum. Gorbachev received our file in February 1987. Mikhail Sergeyevich took 10 days' leave outside Moscow studying the proposals. Then he gave instructions that they should be actively promoted.

By that time we had abandoned all our efforts to approach the leadership—not because we were in despair, but simply because we had decided to go a different way, through the press.

[Umnov] What were you proposing?

[Chernyshev] If there is international control, if there is no need to create a parallel "SDI" the situation is greatly simplified.

Phase one: Anything that flies out of the dense layers of the atmosphere and fails to emit the standard signals is automatically burned up. The problem of ballistic missiles disappears.

Phase two: The laser sheaf protects against tactical weapons.

Phase three: Smaller weapons, those "suitcases." Perhaps in 20 years' time there will be a half- or 1-megaton pocket bomb. But it does not exist yet.

But it was not simply a matter of SDI as far as we were concerned. In our view, the joint development of the space shield was the only possible way of solving our economic problems, of entering the world economy. That was the route our conversion would take.

[Umnov] Could the Americans have cooperated with us at that point?

[Chernyshev] ...Reagan officially proposed that we participate in the development of a space shield and share technology. Although, you will recall, he also saw us as the empire of evil.

It was advantageous as far as the Americans were concerned. They would immediately banish the problem of protection against the massive launch of thousands of missiles. Indeed, if you have to defend against 10, there is no problem today, the task is massively simplified.

[Umnov] Conversion via SDI does not provide us with an immediate return....

[Chernyshev] Not so. The states participating in the creation of the space shield would give, say, one-third of the military budget to the international community fund. This third would not go into space, but turn into expanded reproduction of capital. The money would come back to us in the form of hard currency pay for our scientists.

[Umnov] How would the Americans react now to our proposal?

[Chernyshev] A joint institution could emerge, in fact they too are frightened that our specialists might go off to third countries to make bombs. But that is a half-measure.

However, if we succeed in taking steps toward conversion via SDI as a way of entering the world economy it will be virtually the last chance for us.

People Polled on Nuclear Strike Potential

OW1002064492 Moscow INTERFAX in English 0608 GMT 10 Feb 92

[From the "Viewpoint" feature; transmitted via KYODO]

[Text]**Has Nuclear Strike Become More Probable?**

38% of those questioned in Russia, 24% in Ukraine and 11% in Kazakhstan said the collapse of the Soviet Union has increased the probability of an occasional or deliberate use of nuclear arms.

24% in Russia, 24% in Ukraine and 29% in Kazakhstan believe nothing has changed in this sphere.

27% of respondents in Kazakhstan, 5% in Ukraine and 4% in Russia said such a probability has lessened.

The rest were undecided.

Nuclear Brain Drain So Far 'Theoretical'

MK0802141592 Moscow ROSSIYA in Russian No. 6, 5-11 Feb 92 p 8

[Sergey Belkovskiy article: "I Swap Chelyabinsk For Iraq. Is That Scenario Possible? Nuclear Specialists Themselves Answer the Question"]

[Text] Chelyabinsk-70—The Soviet nuclear "brain drain" to Third World countries will enable the latter to make appreciable advances in developing their own nuclear weapons. These forecasts and misgivings have become more frequent of late in foreign publications. Possibly Western countries and the United States are trying to turn our attention to the problems facing nuclear scientists, talk of which in the land of Chernobyl arouses irritation more often than understanding. Nonetheless this is a sector that must not be affected by the process of disintegration that has encompassed the former Union. Nuclear disintegration could be highly dangerous both for us and the world around us.

The VNIITF is in the Urals in the "closed" city of Chelyabinsk-70 surrounded by barbed wire. The gate to the city is a checkpoint, armed soldiers greet you here. The abbreviation VNIITF in Russian stands for—all-Union Technical Physics Research Institute. It is due to this institute that this city appeared in the southern Urals.

We have gotten accustomed to thinking that big science is located either in Moscow or in the other capitals. Until recently there was nothing in the newspapers about Chelyabinsk-70, a city the size of a rayon center, and you will not find this city on a map. However, it was here that the cream of nuclear science gathered. Here and in Arzamas-16....

There was a time when the residents of "70" were known as the "chocolate people" [shokoladniki]: They supplied their relatives in the "world outside" with food and other things. Now there is none of the former abundance and everything is supplied strictly on production of ration cards and coupons. All that is left of the good old days is amazingly clean streets, literally crammed with automobiles (there is hardly another city like it in Russia in terms of the number per capita). Chelyabinsk-70 is a good city in terms of its crime level. It is not frightening for a lone individual to set off into the pine woods scattered alongside the blocks of housing. It is a stone's throw to Lake Sinara. In summer you can get a tan and swim. And the air is clean and fresh....

ROSSIYA's correspondent is one of the first journalists to visit this city and meet the people who were for so long fenced off and stamped "Secret." Before it would have been impossible to interview them.

"Now we can give an interlocutor our own visiting card": I held a rectangular card in my hand and read "Doctor of Physics and Mathematical Sciences Vadim Aleksandrovich Simonenko, branch chief."

"I recently met U.S. scientists in Kiev and they asked outright: How possible is it for nuclear specialists to go to Third World countries," Simonenko said. "So it is not only from newspapers that I am aware of this alarm abroad."

"Unlike Western nuclear scientists, ours are not narrow specialists. Although we are theoreticians, we always work alongside designers and experimental personnel and are present at the plants during assembly."

Simonenko believes that a nuclear brain drain abroad is still rather a theoretical problem, but that it could rapidly become more immediate.

After people have left the "prohibited area" their chances of ending up abroad increase drastically, my interlocutor said. Because there are no real borders today. The main thing is to get out of Russia and, if you find yourself in the Ukraine, for instance, it costs nothing to get to Poland. Or further...

I asked Simonenko's colleagues a direct question: Would they leave if they received an invitation to work abroad?

"As far as I know, none of my friends has received that kind of offer," A. Antonov, engineer-designer category I, replied. "People have always been hand-picked [shtuchnyy otbor] for our institute, and as a result committed people with a sense of duty, so to speak, were gathered here. Before we took pride in doing crucial business for the state, and we were conscious of this from the fact that the standard of living in Chelyabinsk-70 was considerably higher than in other places. Now my salary is 838 rubles [R]. Other people's salaries are even lower. We are virtually becoming outcasts."

"Specialists have already begun to leave the institute. Right now they are going out into the 'big wide world.'" But, remember, it is all the same to us where designers and skilled workers go—whether they go abroad or to the neighboring city of Kasli," V. Nikitin, the institute's deputy director, said. "You do not get real specialists in our field straight from university; it takes 10-15 years of practical work. In the last year—this has never happened here before—more than 100 people left, mainly [manual] workers at the moment. But even they, believe you me, were hand-picked people.

S. Gagarinov, chairman of the institute's trade union committee:

"At our request the cost of the minimum consumer basket in Chelyabinsk-70 was worked out: It turns out to be roughly R1,100-1,200 per month working on the basis of the prices for the first half of January."

How can these people be provided with at least a normal wage?

"There is a great deal of talk now about conversion," V. Simonenko opines. "But I would like to draw your attention to the fact that the conversion projects currently being discussed require far less intellectual effort from scientists than our previous work developing weapons. There are scientists here in Chelyabinsk-70 capable of solving global problems. So, it is necessary for them to replace one task with another, equally wide-ranging task..."

Arms Expert on Plans To End Scientific Exodus

LD1002092492 Moscow IZVESTIYA in Russian 5 Feb 92 Morning Edition p 6

[Report by correspondent Artur Blinov: "Gambling on Conversion: Pentagon Plans To Hold Back Our Nuclear Scientists"]

[Excerpts] Washington—"Chelyabinsk-65, Chelyabinsk-70, Arzamas-16." The American newspapers are full of these names, which in the past were unknown to Americans. The atomic laboratories of a nuclear power are ceasing to serve the cause of military deterrence, but are they going to become the seat of a new danger—the uncontrolled proliferation of secret technologies?

Such fears were recently expressed by U.S. CIA Director Robert Gates in a speech in Congress. According to him, 1,000-2,000 scientists in Russia possess knowledge in the sphere of the design and production of nuclear arms. There is a possibility that some of them could be "tempted by offers from Third World countries that seek to acquire or improve their own special arms potential." True, there are as yet no confirmed reports of such individuals leaving the Commonwealth.

The Pentagon would like to take its own preventive measures against that danger. As General Colin Powell, chairman of the Joint Chiefs of Staff, stated, the dissemination of knowledge and technology and an exodus of specialists from our country is highly undesirable. [passage omitted]

On the eve of the meeting between the Russian and U.S. presidents at Camp David, meetings were held in the U.S. capital between Russian and U.S. experts, at which questions of peaceful conversion of the scientific centers of our nuclear and military complex were broached.

A.A. Kokoshin, corresponding member of the Russian Academy of Sciences, a well-known specialist in military-strategic questions and disarmament and a participant in these meetings, believes that fears about the possibility of a free and uncontrolled exodus of Soviet nuclear weapons designers are unfounded. "This is a relatively small group of experts who are bound by certain legal commitments as regards keeping state secrets," A. Kokoshin said in a talk with IZVESTIYA's correspodent.

At the same time, the scientist noted, there are in Russia's military-industrial complex thousands of scientists and engineers who constitute the "second or third circle of experts." These are people with access to particular aspects of the design and production of armaments—not only nuclear weapons, and maybe not the weapons so much as the associated systems—delivery, targeting, and guidance systems.

"Any country that intends to set about developing modern armaments will need a wide range of such experts," A. Kokoshin says. "I have not heard about any country trying to invite scientists from the secret nuclear cities to work for it, but it is known that some people have tried to establish contacts with engineers from design bureaus concerned with the development of delivery vehicles.

"I think the best way to combat the 'brain drain' would be to provide new, peaceful employment for the scientific centers in our country where these experts work. Here in the United States, we have discussed the possibility of forming mixed teams and groups for the development of conversion technologies involving venture capital, or risk capital, as they call it and in forms that would enable us to keep these personnel on our territory and prevent losses or damage to Russia's economic, scientific, and technical development."

These projects were discussed with representatives of the U.S. Administration, the U.S. National Academy of Science, and private financial foundations. There can be no single, universal pattern here, but the approach in principle is clear. It is primarily to keep the scientific personnel in our country.

'Alternative Employment' Considered

LD0602110392 Moscow Radio Moscow World Service in English 1910 GMT 4 Feb 92

[Passage within quotation marks recorded in Russian with superimposed report in English]

[Text] [Announcer] The breakup of the Soviet Union and its economy can lead to an exodus of nuclear scientists who were not allowed to travel abroad without a formal go-ahead before. Those rules are no longer valid, and there are alarming reports that a number of countries seeking to develop their own nuclear weapons—such as Libya and Iran—are now trying to recruit Soviet scientists to work on their nuclear programs. This in itself heightens the threaten or worldwide nuclear proliferation. [sentence as heard] Mr. (?Vladimir Sukhoruchkhin) of Moscow's Nuclear Research Center assesses the situation. Mr. (?Sukhoruchkhin):

[(?Sukhoruchkhin)] "Mr. (?Sukhoruchkhin) said quite a number of Soviet scientists now out of jobs were invited to work at nuclear research centers in Libya, Iraq, and the United States. He said although their departure would be a loss at home, none of the experts would be held back unless they had access to classified information. The issue of nuclear nonproliferation, he said, must not be confined to imposing a ban on their emigration. He said it was a matter for political solutions by a country which decided to develop nuclear weapons and the commitments it undertook. He also said that the compliance with those obligations were being monitored by an international machinery such as the nonproliferation treaty."

[Announcer] On the chance of Libya or Iran developing nuclear weapons on their own, Mr. (?Sukhoruchkhin) explained the following:

[(?Sukhoruchkhin]) "He said many of the regimes widely believed to be dangerous have their own experts with American and European university degrees who are capable of developing weapons. Mr. (?Sukhoruchkhin), however, said political conditions must be created to make nuclear weapons unncecessary, and he called to prevent nuclear materials from reaching those countries, as well as the compliance with safety guarantees set by the International Atomic Energy Agency.

[Announcer] Asked what could be done to prevent an exodus by nuclear scientists from the Commonwealth states, Mr. (?Sukhoruchkhin) said alternative employment must be created for those who are engaged in military-related nuclear research.

[(?Sukhoruchkhin]) "He said that the country's future lay with fundamental research and that appropriate funds must be raised for this. He also said to deter massive emigration by nuclear scientists by creating new jobs, adding the recruitment of an individual expert was the question of ethics."

[Announcer] Asked in which way the West could possibly help to ease the problem, Mr. (?Sukhoruchkhin) explained:

[(?Sukhoruchkhin)] "The United States will not be able to provide jobs on a large scale and alternative employment must therefore be created at home. Mr. (?Sukhoruchkhin) spoke of varying opportunities including the joint financing and maintenance of Soviet-built nuclear reactors to the benefit of all sides."

[Announcer] Contrary to the experts' forecasts, the Bush administration announced recently planning to offer full-time jobs to a total of 2,000 nuclear scientists from the former Soviet Union. This measure is expected to reduce access to nuclear technology by undemocratic regimes.

Report on Gorbachev Interview by Japanese TV

*LD1002070592 Moscow TASS in English
0514 GMT 10 Feb 92*

[Text] Moscow February 10 (TASS)—The former president of the USSR, Mikhail Gorbachev, gave a 90-minute interview to the chief correspondent of the Japanese NHK Television Network Moscow Bureau on February 7. A wide range of issues concerning both Gorbachev's views on current developments and the hidden catalyst of the recent events were raised in the interview.

Replying to a query about the state of mass media, Gorbachev noted that once the press found itself in the grave economic situation, "it becomes increasingly univocal" and begins "to give up democratic positions and the gains of glasnost, which had been won by it at one time."

Gorbachev said this had happened because the Russian Government, which assumed a colossal responsibility for implementing market reforms, wants the press "to sympathise" with it and "understand what a difficult job it is doing." But taming the press can only "cause an irreparable damage to the government's prestige."

On his past and present relations with the Russian president, Gorbachev emphasised "Boris Yeltsin always managed to work better in the critical phase of the endeavour and always found the job more complicated when it was needed to develop new forms of cooperation."

Gorbachev said his views diverged to some extent not only with those held by the present Russian president and that some rivalry here was explained also by "the different temper and different approaches to tactics."

"I am convinced that I acted correctly because it was unacceptable to make a fuss out of the huge historic undertaking and take populist steps. I elaborated the principle that these changes should occur at least once in history without a civil war and blood. Therefore, I do not approve those people who wanted to nudge perestroika artificially, generate chaos, set some against others, a brawl in society and thus stymie the process," Gorbachev said.

Clarifying his viewpoint on the tactics that catapulted the Russian president to victory, Gorbachev emphasised that the latter "used the maximum populist methods", exploiting the mounting discontent in society over the painful nature of reforms. "There was much speculative in this but, nevertheless, this is a political struggle and this helped them to win."

Warning that it is insensible to act by these methods in future, Gorbachev said the following: "Russia has now got everything what was promised. Will it solve all its problems rapidly? No, it will not. One needs to accomplish a large amount of work. The all-important thing is to continue working together with all republics."

Furthermore, Gorbachev noted he did not consider that in the historical perspective he was defeated by having lost the post of the USSR president. He said only "individual battles" were lost because "all that is happening in the country, Europe and the world is the continuation of the course the beginning to which was set by me and I applaud these events. Individual politicians will not decide what is the historic role of Gorbachev and his team."

"Why do I take care that success attends Yeltsin? Because this is the follow-up on what I have started." However, Gorbachev does not regard as his goal to return to the post of president.

Gorbachev then spoke about the tasks of the foundation presently headed by him and his role in current processes. "I feel personal responsibility and should carry on efforts. To this end, I must form contacts with many politicians both acting and those fulfilling social functions. I should visit countries and take part in various forums." Specifically, Gorbachev unveiled his plans to visit Japan shortly. According to some sources, Gorbachev's visit to Japan is planned for the first ten days of April.

The interview will be transmitted in full via the NHK channel in Japan on February 12.

Documents Reveal U.S. POWs Kept in GULAG

Found in Gorbachev's Archives

*LD1002110892 Moscow TASS International Service
in Russian 1012 GMT 10 Feb 92*

[Text] Moscow, 10 Feb (ITAR-TASS)—The first documents confirming that U.S. prisoners of war were put into GULAG [Main Directorate of Prison Camps] prison camps have been found in Mikhail Gorbachev's archives, the weekly KOMMERSANT reports today.

Colonel General Dmitriy Volkogonov, who was appointed by the Russian president to head the group of experts conducting the present investigation, confirmed in an interview to the weekly that "four files of captive Americans from the World War II period have been found in the archives, but they are not specific, they are unnamed." "If there were U.S. POWs in the GULAG in the 1940's, that means there were some there later, too. However, it is unclear how many there were. We are now checking a sensational report that there were Americans in Kolyma and Tambov, too," D. Volkogonov said.

According to KOMMERSANT, the archives of the former USSR president, which are kept in the Moscow Kremlin, was made up of documents removed on Mikhail Gorbachev's request from other archives (mainly the KGB archives).

Search for Pilot Downed in 1950

92UM0512A Moscow IZVESTIYA in Russian 4 Feb 92 Morning Edition p 3

[Article by Valeriy Rudnev in the "IZVESTIYA Investigations" series: "Where Are Robert Reynolds and His Friends? On 8 April 1950, American Pilots Were Downed Over the Baltics. Their Fate From Then on Is Unknown."]

[Text] **Following the fate of our countrymen previously concealed in the secret archives of the Soviet state, the curtain is now beginning to be lifted over the similar fate of foreigners. The truth about the Poles shot in Katyn is already known. Documents on hard labor in the Soviet Union for Japanese prisoners of war have been released. Access has been opened to the files of Italians who were taken prisoner during the Great Patriotic War. The American theme also belongs in this sphere. Much is written about it at present, mainly in conjunction with the secret operations of Soviet secret services involving the internment of American servicemen. IZVESTIYA is embarking on its own investigation of the problem.**

Lieutenant Robert Reynolds, a U.S. Navy pilot, was downed over the Baltic Sea on 8 April 1950 while on a reconnaissance mission. At any rate, this is what his widow, Jane Reynolds-Howard, maintains in her letter to the head of Soviet State Security, dated 4 November 1991. However, to this day neither she nor the families of other members of the crew—Frank Beckman, Joseph Barass, Tommy Burgess, Joe Denens, John Fett, William Homer, Edward Purcell, Howard Seasheff, and Jack Thomas [names as transliterated]—have received any definite information on their lot from either the American or the Soviet government.

Six months after the plane of Robert Reynolds was downed, his two girls, Christine and Caroline, were born. In another six months, Reynolds was officially declared dead. However, Jane hoped for the best. Despite things being very hard for her with two babies and without her husband, she started her own investigation, having abandoned hopes for assistance on the part of officials.

It is known that America is very patriotic. Yuriy Smirnov, chairman of the Russian parliamentary subcommittee for the affairs of prisoners of war, who recently returned from the United States, testified: The unity of what appears to be a mixed and stratified society in its passionate, almost frenzied effort to find its soldiers who failed to return home from foreign lands, and to commemorate them, is striking. However, there are things which America cannot do.

At the end of last year, 92 American senators sent a letter to the president of Russia with a request to provide access to the archives of State Security and the GULAG [Main Directorate of Prison Camps] in order to come up with a clear-cut answer to a simple question: Are U.S. citizen prisoners held in Soviet camps or not? American journalists have requested assistance from their Soviet colleagues. Recently, one of the joint investigative reports about MIA's from the Vietnam War was shown in "The Fifth Wheel" on Russian TV. The American collector, Jim Atwood, is prepared to pay $10,000 to anyone who will obtain documentary evidence concerning at least one fellow American held as a prisoner of war in the Union. If one succeeds in locating a live American prisoner of war the reward will be increased to $1 million (!). A reward of $100,000 is also offered for similar information from the American public organization "Accuracy in Media," which published its advertisement in one of the Moscow newspapers. Another public organization, the U.S. National Union of Prisoner of War Families, sent to the KGB a list of 120 names of servicemen, information on whom, as the Union of Families believes, is found in the special archives of the former USSR. The list includes World War II prisoners of war, violators of our airspace downed over our territory, and soldiers and officers missing in action in Laos, Vietnam, Korea, and other countries. The National Union of Families asks that the circumstances of the disappearance of specific individuals, including Robert Reynolds and his comrades, be checked out.

FROM A LETTER BY JANE REYNOLDS-HOWARD. **"Bob and his comrades were seen in Camp No. 5 in the vicinity of Vorkuta in September 1950. Later, their tracks lead to the area of the Tayshet railroad station in Siberia (Camp No. 20) where an officer from Bob's crew died in one of the hospitals along the Tayshet-Bratsk line. There is information on the sightings of others in the Kolyma camps.**

Why did we begin our investigation with a specific case? Would it not perhaps be much more important to examine the overall situation—the nature of our presence in Korea, Vietnam, and other hot spots on the planet? Or perhaps look for individuals who, as Russian officials maintain, deserted the U.S. Army in order to seek refuge in the territory of the USSR? Or try to unmask malicious schemes by our counterintelligence, and American counterintelligence as well? Of course, it is tempting for a journalist to work on such issues. However, let us not verify or denounce anybody for now. Let us just try to help a common American, Jane Reynolds-Howard, and her children, Christine and Caroline. Let us look at an episode which, by all signs, was typical of the "cold war" which (let us hope) is already past us. This was a war where no battles were fought openly, where enemy personnel were not taken prisoner or declared prisoners of war. Operations in the course of that war were conducted in secret, and people disappeared without a trace. However, it was not without a trace. The trace led to archives. This was where we began our search for Lieutenant Robert Reynolds and his comrades.

The Central State Special Archive. This is where the files of the Main Directorate for the Affairs of Prisoners of War and Internees are. Viktor Bondarev, director of the special archive, allowed IZVESTIYA staff to become familiar with some personal files of Americans classified

"Top Secret." Of course, we did not find any genuine state secrets. At present, the materials of the special archive are quite accessible to researchers.

There were thin files in official looking covers. Registration file for prisoner of war Herman Sh. Camp No. 62, registration file No. 2744. Year and place of birth—1923, Los Angeles. Property status of father—a house, 150 hectares of orchards. Date of arrival in camp—10 August 1944. The file was closed because of his death on 26 April 1945. Diagnosis—dystrophy. Buried at a public cemetery in Kiev.

Registration file of prisoner of war Charles G. Roy. Place of birth—New York. Taken prisoner in 1945. The file was closed on 12 February 1947 in conjunction with him being sent home.

V. Bondarev said: "According to data in the special archive as of today, during the entire Great Patriotic War, 108 American prisoners who fought on the side of Fascist Germany, ended up in our territory. After a short stay in Special Camp No. 188 in Tambov Oblast, 68 of them were freed and sent to their native country. Fourteen of them died, and the places of their burial have been determined. The fate of another 26 is not known for sure at present. At least as of 1947, they were entered in documents as being incarcerated in a camp. Probably, they were also handed over to the American side (in the main, the repatriation of Americans was over by 1950). We are now checking out the documentation based on this version. We are verifying the available lists."

[Rudnev] However, there are assertions in the press concerning thousands of American prisoners of war from the period of the Great Patriotic War.

[Bondarev] Apparently, this is about the thousands of our allies taken prisoner by the Germans, liberated by us, and sent to America through Odessa.

[Rudnev] What about the fate of U.S. citizens who could have ended up in GULAG camps after 1950?

[Bondarev] Our archive has materials concerning the prisoners of war of the Great Patriotic War only.

[Rudnev] Is this to say that you will not be able to clarify the fate of Robert Reynolds and his comrades who were downed over the Baltic Sea in April 1950?

[Bondarev] I cannot help you with this. Look for pertinent information in other archives.

We went to the addresses indicated.

Main Administration of Corrections. This militia establishment has information on those who are serving time for crimes committed in the territory of our country. Naturally, we approached them. After all, the R. Reynolds episode is somewhat reminiscent of another one, that of F. Powers who was downed in 1960, convicted for espionage, and for a while served time in a Soviet corrective labor facility.

The management of GUID [Main Administration of Corrections] knows about American servicemen who are supposedly held in Soviet camps from newspapers. According to the documents of the corrective labor facilities of our country, there are no American servicemen there at present. One of the GUID managers specified: "Not just servicemen, but other American citizens have not been held in our camps since at least 1970. There are Vietnamese, Arabs, Koreans, and citizens of other countries. The only citizen of Israel is serving time based on a court sentence. However, we do not have Americans. However, give us time and we will verify it. After all, we do not have any special secrets. People end up in our camps only on the basis of court sentences. Besides, the only camp for foreigners in our country is in the limelight. Dozens of delegations have already visited it."

Ministry of Defense, the Main Intelligence Directorate (GRU) of the Armed Forces. There is a reason for our interest in the archives of the military establishment: Reynolds could only have been downed by the military; the exact date of this incident was known, and only details had to be established. However, it was not that easy. We could not even get into the Ministry of Defense: Everything came down to short conversations over the phone. Indeed, there is a problem..., we need to verify this and resolve the issue of declassifying certain documents..., of course, the public is entitled to know the truth..., however, I am not aware of this, you had better call N. So, yet another telephone number appeared in my notebook (by now there are 13). The telephone number of Chief of General Staff V. Samsonov became No. 13. As officers from the Ministry of Defense said, only he could authorize verification of the specific case involving Robert Reynolds. However, so far I have not succeeded in getting through to the general. This is why I will take advantage of this opportunity and write a short note to him: "Esteemed Viktor Nikolayevich! Of course, we are interested in the opinion of the military on the topic of American prisoners of war which is being discussed in the press. We understand that a full search of the archives and the resolution of the issue of the classification of documents take time. This is why we are asking you to check out just one episode of the 'cold war': 8 April 1950, a U.S. Navy plane, the Baltic."

FROM A LETTER BY JANE REYNOLDS-HOWARD. "Bob and his comrades have long earned your forgiveness. The time has come to send American prisoners home. This action would initiate the healing of the wounds in the hearts of many Americans. I pray for you and your wife every day."

Let us recall that Jane wrote this letter to the head of Soviet State Security, by now a former leader, who resolved to implement profound reforms in the KGB, and who took a step which is unusual in the practice of operations by special services: He handed over to the Americans monitoring equipment installed in the embassy building. How will the new leadership of state security behave?

Ministry of Security of the Russian Federation. This is how the former KGB is now called. However, we were greeted benevolently at the ministry, despite the fact that at present it is involved for the most part in restructuring and personnel reassignments. They even assigned an officer to help us.

I will admit that we were shown both the letter by Jane Reynolds-Howard and a picture of Lieutenant Reynolds at Lubyanka. At present, they believe that it is stupid to make secrets of such incidents because this gives rise to rumors, idle talk, or even false fabrications about the operation of Soviet special services. However, it is paradoxical that the formerly mighty establishment which held all the secrets of the state under its control has now disintegrated. The once joint archives are now in the jurisdiction of different chiefs. It is not all that easy even for the officers of State Security to respond now to a question about what transpired in the sky over the Baltic Sea on 8 April 1950. Even if the officers find this out they will not be able to reveal it: Many documents are classified "Top Secret."

Is there a way out? At Lubyanka, they believe that, in principle, the issue should be resolved with the participation of interested parties—the parliament, the government, the military, and the special services. This is also what the Ministry of Foreign Affairs, the Supreme Soviet, and the staff of the president believe. However, everything takes time.

Well, let us wait. Meanwhile, since we do not count on familiarizing ourselves with archival documents soon, let us turn to the memories of the people. Please let us know if you have any information about the incident involving Robert Reynolds or his fellow crew members, or if you can clarify the circumstances described in his wife's letter. Let us try to help at least several American families. It is our duty as people.

FROM A LETTER BY JANE REYNOLDS-HOWARD. "I do not feel hostile toward the Soviet people. I understand the situation of Bob and his comrades which brought them to the Soviet GULAG. Of course, my data may seem unconvincing. This is why I ask for help in learning the whole truth about my husband and his comrades, no matter how sad it is...

In the picture: Lieutenant Robert Reynolds in 1950.

'None of the Crew Survived'

LD0702184392 Moscow TASS in English
1136 GMT 7 Feb 92

[By BELTA correspondent Vladimir Glod—TASS]

[Text] Minsk February 7 TASS—The pilots of the U.S. B-29 plane, which was shot down 42 years ago over the Baltic Sea by the Soviet Airforce, could not have survived, the man who executed the order believes.

"They could not become captives as the plane fell into the sea. None of the crew survived", Anatoly Gerasimov, the pilot who shot down the U.S. plane, told the NARODNAYA GAZETA on Friday. "I shot down the B-29 aircraft, which invaded Soviet airspace on a spy mission in the spring of 1950 over the Baltic Sea, 60 miles off shore between (the cities of) Palanga and Liepaya", Gerasimov said.

The IZVESTIYA newspaper reported on February 4, that the widow of Robert Reynolds—Jane—still believes her husband, who was flying the ill-fated B-29, is alive and kept in captivity.

Results, Reactions to Davos Participation

PM1002095192 Moscow IZVESTIYA in Russian
6 Feb 92 Morning Edition p 4

[Commentary by Andrey Kamorin: "CIS [Commenwealth of Independent States] Members Fighting for Credits, but West Does Not Want To Help Them Individually. Results of World Economic Forum in Davos"]

[Text] "You get the impression that they are more concerned with their differences than with what should unite them"—that is how REUTER commented on the speeches by representatives of CIS [Commonwealth of Independent States] states at the World Economic Forum which has ended in the Swiss city of Davos.

The presence and active participation of the heads of seven states of our Commonwealth—Azerbaijan, Armenia, Belarus, Kazakhstan, Moldova, Uzbekistan, and the Ukraine—and also of a representative Russian Federation delegation predetermined the character and basic themes of this traditional annual meeting of statesmen and public figures, representatives of business circles, and scientists. The president of the forum, Prof. Klaus Schwab, stressed that support for the process of stabilizing reforms within the Commonwealth's framework is one of the most important tasks facing the world community.

Judging from the course of the discussions, most of the meeting's participants would subscribe to this statement by Prof. Schwab, but there is a multitude of opinions about how to achieve this aim. Furthermore, the speeches made and meetings held in Davos by high-ranking representatives of the CIS member-states' have only added fuel to the flames of the debate. On the basis of both its economic and its strategic interests, the West would prefer to deal with the Commonwealth as a whole.

The Davos forum is a sensitive barometer of sentiments in the business and political world, and it shows that the competitive struggle between the CIS states for credits, foreign capital investments, and other ways of promoting development could end in, if not a total washout for everybody, then in substantial delay in making decisions to grant aid, which would be an extremely painful result for our economic mechanisms. The foreign press notes that positive signals regarding readiness to cooperate within the CIS framework were evident only in the speeches by the leaders of Belarus and Kazakhstan, while the stark contradictions between the positions of the Ukraine and Russia caused experts grave concern.

The specific aid requests submitted by Commonwealth representatives were received with no particular enthusiasm. The well known Swedish economist Anders Aslund, who is an adviser to Russian President Boris Yeltsin, stated that to stabilize the Federation's balance of payments and to implement measures to introduce ruble convertibility will require resources of the order of $10-$15 billion in addition to the Russian economy's other requirements. These figures are too big to be considered outside the context of the political situation in the CIS. Furthermore, the West realizes that an Eastward reorientation of resources could spark an increase in instability in the South—in the "Third World" countries, many of which are in a simply desperate economic situation. All in all, the emergence of local conflicts and civil wars in the developing states could prove more dangerous than the "smoldering" crisis in the CIS, and this was also discussed in Davos.

It must also be said that direct injections into the economy, which is what the CIS representatives were seeking, are clearly going out of fashion. As the journalist R. Cohen wrote, in Davos "the prevailing opinion is that there is too little cash to stimulate the world economy or aid East Europe, and that global trade growth is the best way to ensure economic growth." Paul Volcker, former chairman of the U.S. Federal Reserve Board, whose opinion is extremely authoritative in the financial world, said: "It costs nothing to ensure open markets, all it takes is political energy, and nobody thinks he has much money to spare."

Evidently the main tendency will be precisely this—aid through trade development. This is an important signal to those of our leaders who are trying to solve domestic problems by curbing export-import transactions by means of draconian tariffs and tough export licensing. The erection of interrepublic economic barriers is also hardly likely to be greeted favorably by the West.

One of the most important lessons of Davos is that the quickest CIS states to understand the importance of openness in foreign economic ties and in encouraging exports will clearly gain the advantage over the slow-witted states.

Regular Aid Cargoes To Fly From Incirlik

LD1102000692 Moscow TASS in English 0949 GMT 10 Feb 92

[Report by ITAR-TASS correspondent Aleksander Chelyshev]

[Text] Istanbul February 10 TASS—A ceremony marking the dispatch of the first batch of humanitarian aid supplies for the Commonwealth of Independent States (CIS) countries took place at Ankara's Esenboga Airport.

Aid is being given within the framework of accords reached in Washington by representatives of Western powers.

The ceremony was attended by Turkish Prime Minister Suleyman Demirel.

Two U.S.-made C-141 planes will deliver food, medicines and medical equipment to Baku and Ashkhabad.

Regular flights of transportation planes carrying aid cargoes intended for other CIS republics will begin from Incirlik Air Base today.

Over several weeks, humanitarian aid will be sent through Turkey to Azerbaijan, Turkmenia, Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan and Armneia. Part of the aid supplies are to be shipped by sea via the Black Sea port of Trabzon, the ANATOLIAN news agency reported.

Kalugin Denies Rumored American Consulting Link

OW0802051592 Moscow INTERFAX in English 1935 GMT 7 Feb 92

[Transmitted via KYODO]

[Text] Former KGB general Oleg Kalugin denies that he has agreed to run the Moscow office of an American security consulting company. He told "INTERFAX" correspondent in Sochi that the rumour was groundless. (Mr. Kalugin was elected a deputy of the USSR by the population of the Krasnodar region). He also said that he had received many offers but preferred being a pensioner. He said that there were certain matters requiring his undivided attention. The former KGB general explained that he was going to tour the Kuban region to meet his electorate. He said he owed those people a great deal, because over the fifteen months of his activities as a lawmaker he failed to accomplish everything he had promised.

Three Central Asian Republics To Join OEC

LD0702123892 Moscow TASS in English 0956 GMT 7 Feb 92

[By ITAR-TASS correspondent Aleksandr Chelyshev]

[Text] Istanbul February 7 ITAR-TASS—by Azerbaijan, Uzbekistan and Turkmenistan will become new members of the Organisation of Economic Cooperation (OEC), which groups Turkey, Iran and Pakistan.

This decision was taken at a foreign ministers' meeting in Ankara on February 5-6.

The memorandum, signed at the end of the meeting, points out that the OEC received with satisfaction requests by Azerbaijan, Uzbekistan and Turkmenistan to admit them into the organisation. The text of the treaty on admission of the three countries into the OEC will be drafted by June 1, 1992.

No Alternative for Germans 'Except To Emigrate'

LD1002221592 Hamburg DPA in German 1447 GMT 10 Feb 92

[Excerpt] Saarbruecken (DPA)—Nine of out 10 ethnic Germans in the Commonwealth of Independent States want to leave for Germany according to the chairman of the Council of Ethnic Germans.

"Practically nobody believes any longer in a national future. I do not see any alternative for those who want to remain German, except to emigrate," Heinrich Groth, chairman of the Council of Ethnic Germans, said in an interview with Saarland Radio on Monday, 10 February.

Groth appealed to the federal government to enable the 1.8 million people wanting to leave to make it possible for them to emigrate within a maximum period of five years. "Naturally, these people do not want to wait 20 years." [passage omitted]

Commonwealth

Defense Ministers To Meet in Minsk 11 Feb

LD1002230592 Moscow Mayak Radio Network in Russian 2100 GMT 10 Feb 92

[Text] Defense ministers from the Commonwealth of Independent States member states will hold a conference 11 February in Minsk. They will discuss an outline for the Armed Forces of the Commonwealth, especially the question of supply and financing in the first quarter of the current year.

General Previews Minsk Armed Forces Talks

LD1002234592 Moscow Radio Moscow World Service in English 1910 GMT 10 Feb 92

[Interview with Lieutenant General Leonid Ivashov, "head of the Commonwealth Armed Forces Main Command affairs," by military analyst Vadim Solovyev; place and date not given—recorded]

[Text] The heads of the 11 member states of the Commonwealth will meet in Minsk on 14 February. One of the central questions to be discussed concerns exactly what will become of the former Soviet Union's Armed Forces. Our military analyst Vadim Solovyev interviewed Lieutenant General Leonid Ivashov, head of the Commonwealth Armed Forces Main Command affairs.

[Ivanov] And what do we have now? We destroyed not only the economic and political space of the former Soviet Union, but also the legal one, including the area of military legislation. It's as if the Armed Forces were now outside the law. In Alma-Ata, the presidents of the Commonwealth states agreed that former Union legislation is no longer valid, but the country's defense was built on the basis of Union legislation. This basis was not in the republics.

[Solovyev] If you destroy the former system, then the problems of the armed forces will remain as problems. There also won't be any defense as such. What will be suggested in Minsk to normalize the situation of the defense of the Commonwealth?

[Ivashov] Fourteen documents will be on the negotiating tables in Minsk. We can divide them up into three categories. First, today's standards are to be secured for USSR legislation on defense and the armed forces, but only those that don't contradict agreements already ratified by the heads of the Commonwealth. Second, guarantees of social and legal standards possessed by soldiers from Union legislation. This is for an improvement of living conditions. Lastly, like the first, are documents examining questions on the authority of supreme coordinating bodies in the Commonwealth in the area of defense. This suggests creating a council of ministers for the defense of the Commonwealth.

[Solovyev] We've been talking about the fate of the Armed Forces in the 11 Commonwealth member states, but what about forces on the territories of the three republics that left the USSR at an early date? It has been announced that there'll be a withdrawal of forces from the Baltics this February or March.

[Ivashov] That information is inexact. Such a withdrawal of troops in full will not happen in February. It's only a question of agreements which have to be concluded. You need international legal documents which both Russia and the Baltics have to sign. I believe we can't repeat our experience with the withdrawal of troops from Hungary and Czechoslovakia, when those troops were thrown on to an open field without any of the most elementary living conditions.

'Spirit of Distrust' at CIS Meeting

PM1002170092 Moscow PRAVDA in Russian 10 Feb 92 p 2

[Report by Stanislav Oganyan under the "Viewpoint" rubric: "Spirit of Distrust Haunts Conference of Heads of Government of Once Indissoluble Union"]

[Text] The meeting of heads of government of the CIS [Commonwealth of Independent States] took place behind firmly closed doors. It was held Saturday, 8 February, in Moscow at the President Hotel—that is now the name of the former Oktyabrskaya Hotel, access to which is still very difficult.

The first surprise, which caused perplexity both to participants in the meeting and to journalists, was the news that Ukraine was represented not by Premier V. Fokin, but by the republic's deputy minister of economics. By sending a delegation that was not empowered to sign the proposed agreements, the Ukraine in effect gave itself the rank of observer. Just like Georgia, whose representatives, headed by Premier T. Sigua, were in the auditorium. But whereas for Georgia this kind of participation was a step toward the Commonwealth, for the Ukraine, one of the founders of the CIS, such low-level representation was to some extent a retreat from the new community.

It must be said that the Minsk coordinators had drawn up a rather packed and promising agenda. One of the meeting's main achievements could have been the conclusion of an agreement regulating the economic relationship among members of the Commonwealth of States. But in the end they confined themselves to signing several technical documents—agreements in the sphere of hydrometeorology, transit procedures, and so forth.

The question of the supply and financing of the Armed Forces was left open.

The Ukraine again made its presence felt when the question of the joint and several responsibility of the CIS countries for foreign credits was discussed. Kiev came out against Russia's becoming the legal successor and guarantor of credit agreements. The Ukraine insists on separate and direct responsibility to creditors. In reply to this, as has become known, Russian Vice Premier Ye. Gaydar stated: If the Ukraine can reach agreement with Western creditors, Russia will not object to the Ukraine's desire to bypass the CIS in paying off credits.

By coincidence, the latest meeting of the EEC member countries took place in the Dutch city of Maastricht the same day. Judging from the world agencies' reports, the West Europeans are closer than ever before to the creation of a United States of Europe. Unlike the Moscow meeting of CIS premiers, the Maastricht conference was extremely businesslike and constructive and took place in an atmosphere of complete trust. The absence of this last component, without which all talks are doomed to failure, was mentioned sorrowfully immediately after the premiers' conference in Moscow by V. Kebich, Belarussian head of government.

G. Burbulis, first vice premier of Russia, indirectly disagreed with him. Characterizing the results of the conference at a "post-match" press conference, he used a vague formula: Everything is going fine. In G. Burbulis' opinion, meetings of CIS representatives are more worthwhile every time.

Burbulis is in a position to judge. Though it is more difficult for him. Whatever anyone may say about the new equal relations in the CIS, Russia bears the main responsibility for the fate and integrity of the Commonwealth. Therefore Russia's representatives are inclined to make calmer assessments and are less subject to instant emotional reactions, leaving their Commonwealth partners the opportunity to think about things and come back to an understanding that today there is as yet no reasonable alternative to cooperation within the former USSR.

Let us wait till Minsk, where the heads of state meet 14 February. The capital of Belarus generally promotes the holding of talks in a spirit of trust and mutual understanding.

Military

Ukrainian Troops in Siberia Wish To Go Home

OW0702144492 Moscow INTERFAX in English 1150 GMT 7 Feb 92

[Transmitted via KYODO]

[Text] As IF's [INTERFAX] correspondent has learned at the press center of the Siberian Military District, 85% of the personnel called up from the Ukraine have requested official permission to do their further service in their home republic. At present, there are some 3,000 Ukrainians among the military in Siberia, including 1,200 officers, 400 warrant officers and 800 soldiers.

The district command, still awaiting Moscow's authorization, has opened negotiations with the Ukraine over the stationing of Ukrainian servicemen on its territory. Siberia, for its part, is preparing to receive officers and soldiers who have refused to pledge allegiance to the Ukraine.

Spring Draft Situation Considered 'Serious'

OW0702161492 Moscow INTERFAX in English 1312 GMT 7 Feb 92

[Transmitted via KYODO]

[Text] Chief of the board of General Staff of the Commonwealth Armed Forces Major-General Gennadiy Bochayev expressed worry about the spring call-up for the military service. Commenting on the proposal of the Russian Government on the alternative service for farmers' sons who may number between 5000 and 10000, he said it actually means that the work in the agriculture [as received] will be considered as service in the Armed Forces. The general noted that in this way a precedent may also be created for sons of peasants working in collective farms.

Meanwhile, over the past two years a category of persons who cannot be called up to serve in the Army or Navy for medical reasons and those who are granted postponement, has sharply grown in number. This practice is particularly typical of the republics in Central Asia.

The postponement is soon likely to be spread also on the only sons in a family if his mother is past fifty or if she needs care because of a poor state of health.

The situation being as it is, the problem of the call-up for a military service in 1992 is becoming still more serious, general Bochayev stressed.

Negotiations To Be Held on Border Troops

LD0702230292 Moscow POSTFACTUM in English 1222 GMT 6 Feb 92

[From the "Politics" section: "Negotiations on Frontier Troops of CIS To Be Held"]

[Text] Dushanbe—negotiations on joined frontier troops of the Commonwealth of Independent States [are] to be held in Dushanbe on February 6.

Colonel General Ilya Kalinichenko, commander-in-chief of frontier troops of the Commonwealth of Independent States (CIS), is expected to arrive for negotiations with Tajikistan's President Rakhman Nabiyev. Major General Anatoliy Martovitskiy, deputy chief of the operational group of the Central Asian Frontier District, told PF [POSTFACTUM] on February 5 that Kalinichenko, staying in Alma-Ata, cannot leave before conducting negotiations with Kazakhstan's President Nursultan Nazarbayev, who is now on tour abroad.

Commander-in-chief of the Central Asian Frontier District Colonel General Aleksandr Bogdanov is to arrive in Dushanbe together with the commander-in-chief of the CIS frontier troops. They will arrive in Tajikistan on the morning of February 6, will have a meeting with President Rakhman Nabiyev and will leave for Bishkek. The negotiations will deal with the structure of joint frontier troops of the CIS, matters of financing and technical supply, as well as matters of forming units.

Planes Dispatched To Evacuate Troops' Families

LD0802212592 Moscow TASS in English 2053 GMT 8 Feb 92

[Text] Moscow February 8 TASS—The groups which are in opposition to the government of the Chechen Republic continue to stage bandit attacks on CIS [Commonwealth of Independent States] Army units for the purpose of capturing weapons and ammunition, says a report of the press centre of the CIS Armed Forces, received by ITAR-TASS on Saturday [8 February].

On February 7 and 8 anti-aircraft defence units, deployed near the city of Groznyy, were attacked. This time numerous armed gangs used extremely cruel and cynical tactics: They approached the military facilities, hiding behind the backs of women and children.

The bandits broke into military garrisons, stole 1,080 weapon pieces and 46 tonnes of ammunition, and destroyed in the most barbaric way the costly mechanisms and equipment. Outrages against military facilities are going on and are assuming more and more dangerous character. Unfortunately, the Chechen leadership is not taking any steps to put an end to these bandit actions.

In this situation the command of the CIS Armed Forces is evacuating families of the servicemen, which actually became hostages of the criminal gangs, the report says. Military-transport planes were dispatched to the Chechen Republic.

Northern Fleet Sailors Eager for Cruiser

LD0802235892 Moscow POSTFACTUM in English 1317 GMT 8 Feb 92

[From the "Military News" section: "Ukraine is Building a Cruiser for the Northern Fleet"]

[Text] Kiev—Officers and sailors of the Northern Fleet say they are ready to pay for finishing the construction of the Varyag (Varangian) cruiser, equipped with nuclear missiles, from their own pockets. Northern Fleet Commander Admiral Felix Gromov, in his interview for PF [POSTFACTUM], has disclosed that the cruiser's hull is ready, although at present the Ukraine's plans for the cruiser are not clear. According to the information PF received from the Fleet's general staff, the Varyag cruiser, whose construction began at the Nikolayev shipyard, is to be commissioned in 1996, in time for the Russian Fleet's 300th anniversary.

U.S. Consortium Agrees To Build Navy Housing

LD1002200392 Moscow TASS in English 1605 GMT 10 Feb 92

[By BUSINESS-TASS correspondent Sergey Kuznetsov]

[Text] New York February 10 TASS [as received]—A consortium of U.S. firms has concluded an agreement to build housing for navymen of the Commonwealth of Independent States [CIS].

According to the newspaper "NEWSDAY", the deal amounts to several billion U.S. dollars. It was concluded between the "Technogrid Group" and the "Novikon" joint-stock society, representing the CIS Navy.

The first stage of the agreement envisages the construction of 30,000 prefabricated dwelling houses in Moscow and other cities. The layout of two- and three-room flats was designed by architect Angelo Corva from Garden City, New York. It envisages enough space to install in every apartment a washing machine, drier, and a microwave stove.

Structural blocks for the first lot of houses are expected to be manufactured by the "General Building Products" Corporation enterprises at Medford, the State of New York. One of the most well-known Long Island builders, Jack Kulka, will act as general contractor. Kulka said he intended to hire almost one thousand American builders in the course of the next five years. They will assemble the houses together with Russian workers.

The American consortium, which was joined by several New York building and investment firms, has also assumed a commitment to render the CIS Navy assistance in privatizing a part of its property. Moreover, it undertakes to build five coastal terminals on the territories of five naval ports to export petroleum. It will also help modify military transport ships for carrying commercial cargoes.

Widescale Fuel Sales Alleged in Baltics

OW1002195392 Moscow BALTFAX in English 1904 GMT 10 Feb 92

[Transmitted via KYODO]

[Text] Several independent sources, wishing to remain anonymous, told BALTFAX that officers and soldiers of Army units stationed in Latvia and Estonia are engaged in widescale sale of gas and diesel fuel to representatives of both country's commercial structures. The sources report that fuel is being sold at prices comparable to state prices.

The informants believe most of the fuel circulating on Latvia and Estonia's black markets is purchased from military dealers.

Space Installations Ownership Problems Explored

PM0702155392 Moscow KRASNAYA ZVEZDA in Russian 6 Feb 92 p 4

[Reply to reader's question by Lieutenant Colonel M. Arkhipov, senior officer at the CIS Armed Forces Space Systems Directorate Press Service, under the rubric "Briefing for Readers": "Will We Lose Our Television Pictures? Everything Depends on Common Sense"—first paragraph is reader's letter]

[Text] How many satellites are in orbit at present and how long will they stay there if, for example, Ukraine or even Kazakhstan nationalize the space installations on their territories?
[Signed] Lieutenant Colonel A. Shvyrov.

Lieutenant Colonel M. Arkhipov, senior officer at the CIS Armed Forces Space Systems Directorate Press Service:

At present we have over 150 systems and devices in orbit. Military teams preparing and launching space equipment at the Baykonyr and Plesetsk cosmodromes, as well as the personnel on duty shifts at units in the Flight Control Center, are still in a position to perform at full capacity the tasks they have been assigned, primarily their national economic tasks.

If the Ukraine nationalizes the three flight control centers, it will be unable to control space communication apparatus in geostationary orbit over the Western hemisphere. In exactly the same way, Kazakhstan (if it were to own the Baykonyr Cosmodrome and the only space apparatus control station on its territory) can scarcely control even one orbital station. Actually, it will be difficult even for Russia, given its current financial state, to continue its autonomous space activity. So that, with the "nationalization" of space installations, we may easily find ourselves without a television picture. Incidentally, we do not have to wait even one or two years for this. Everything may be resolved far sooner, bearing in mind that the satellites will not be able to function for very long without contact with the earth and without commands from it.

'Armed Forces Day' To Be Celebrated 23 Feb

LD0702192192 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1800 GMT 6 Feb 92

[From the "Novosti" newscast]

[Text] The holiday of servicemen will still be celebrated tis year on 23 February. Its new name is Armed Forces Day. An RIA correspondent was told this at the press center of the chief command of the CIS [Commonwealth of Independent States] Armed Forces.

Economic

Russia, Ukraine, Belarus Set Up Gas Society

LD1002190392 Moscow TASS in English 1508 GMT 10 Feb 92

[By ITAR-TASS correspondent Vladimir Belyayev]

[Text] Moscow 10 TASS [as received]—A Russian-Ukrainian-Belarussian joint-stock society is being set up on the basis of the "Gasprom" concern. The necessary documents are now being prepared to register it with corresponding bodies of the three states.

Last year the gas industry proved to be the only sector of economy able to somewhat increase the extraction of fuel and raw materials. In the meantime, oil workers were unable to remain at the previous level of production and had to lower gas output by more than four billion cubic metres. Steps had to be taken to correct the limits of its consumption. But even the somewhat diminished amounts of gas are capable of meeting the requirements of industrial production, which has slumped everywhere.

Howevever, consumers have today appeared who tend to surpass the limits set for them. At the end of last December, for instance, the Ukraine overstepped the coordinated maximum limits of gas consumption by one billion cubic metres, drawing the extra fuel from export pipelines running through its territory. This interfered with gas deliveries to Western Europe. Foreign partners got 750 million cubic metres less gas from Russia than contracted. Moreover, the gas industry was deprived of currency needed to return its debts to foreign partners.

The new system of gas industry administration, specialists believe, calls for the strenghening of technological and organisational contacts among the three shareholdes, for the coordination of their efforts to develop the sector's potential. All this is envisaged in the charter of the new joint-stock society. It also stipulates tough rules governing the utalisation of gas.

Media

TASS Carries Press Review for 11 Feb

LD1102065192 Moscow TASS in English 0543 GMT 11 Feb 92

["Press Review"—TASS headline]

[Text] Moscow February 11 ITAR-TASS—National newspapers today continue publishing materials about the mass meetings held outside the house of the government and on Manezhnaya Square in Moscow on Sunday [9 February]. The publications express divergent views ranging from support of the policy of reforms to direct criticism of the Russian Government.

"Manezhnaya Square—The Demonstration of Growing Awakening, the House of the Government—A Counter-meeting Only To Rival the One on Manezhnaya Square" is the headline under which the newspaper SOVETSKAYA ROSSIYA comments on Sunday's events and quotes speeches by participants in the meetings.

"It is clear even to an infant today that the government does not have any comprehensive programme—either bad, good, market or anti-market," the newspaper contends. "The trivial price hike and other forms of the open and covered-up fleecing of the country and the people are not a programme of reforms but at least an evidence of incompetence and inefficiency," SOVETSKAYA ROSSIYA writes.

"Passions were running high on Sunday. The meetings drew thousands of people. Millions did not understand what they came to the rally for?" [as received] the newspaper KOMSOMOLSKAYA PRAVDA summarises what has happened.

"A single political day was held in Moscow. Communists, patriots and democrats spent it separately," the independent NEZAVISIMAYA GAZETA paper writes, pointing out that "the red meeting on Manezhnaya Square was if not the last but at least the most "determined battle" of the communists since August 1991. [quotation marks as received]

"Prices caused the people's cup of patience to overflow and politicians led them to the squares," the Army newspaper KRASNAYA ZVEZDA writes.

Commenting on Sunday's rallies, the newspaper TRUD writes that "one hundred people assembling under red flags on Manezhnaya Square cannot fail to put democratic movements and organisations on their guard."

PRAVDA publishes an interview with Ukrainian President Leonid Kravchuk, which he gave to the newspaper's correspondent in Kiev. "Relations between the Ukraine and Russia were always of immense importance. We cannot dispute with each other only because some of the leaders made an ill-considered statement at one time. All those who champion democracy in the Ukraine and Russia are duty bound to maintain normal friendly relations. If some problems do emerge, they should be solved through holding meetings, at the negotiating table," Kravchuk stressed.

"Joint work within the Commonwealth, if it is not a state, cannot strip the Ukraine of independence," Kravchuk noted answering the question of the Ukraine's role in the Commonwealth of Independent States. "In keeping with the will of the people, we intend to object against turning the Commonwealth into such a state entity."

Kravchuk described his relations with Boris Yeltsin as normal. "I defend the interests of the Ukraine's peoples and he—the interests of Russia's peoples. We agreed that we would put the most complicated issues to discussion."

Speaking about Mikhail Gorbachev, Kravchuk observed that the former president of the USSR "opened the road to the pluralism of views, the freedom of the press, gave the green light to democracy but proved to be unable to stave off disarray and chaos in the country."

Under the title "Monino-Moscow. Through Madrid to Geneva" NEZAVISIMAYA GAZETA features an interview with Gorbachev's translator Pavel Palazhchenko, who shares his reminiscences about the period of work with the former Soviet leader and his impressions about him as a personality.

Newspapers report about the Nadezhda (Hope) project to provide humanitarian assistance to the Commonwealth countries, which begins to be implemented. The project was announced by U.S. President George Bush in January 1992.

Under the title "Tracing Down the CPSU's Gold" TRUD carries information by its correspondent about parliamentary hearings on the unlawful financial activity of the Soviet Communist Party. Referring to the statement by Russia's Deputy Prosecutor General Ye. Lisov, the newspaper writes that the investigation managed to find virtually all rouble money and also real estate worth a total of seven billion roubles. Lisov said the investigation did not find any foreign bank accounts of the former leaders of the CPSU.

Expressing the view of the State Border Guard Committee Lieutenant-General Ivan Korobeinikov, deputy chairman of the Committee for the Protection of the State Border, said in an interview with TRUD: "We come out for the single external border of the Commonwealth of Independent States, for the single border troops on the fundamentally new foundation."

Emphasising the importance of the coordinated policy in this area, Korobeynikov said "attempts by individual states of the Commonwealth to make the border 'transparent' bid ill not only themselves," implying the Moldovan leaders' decision to allow citizens of neighbouring Romania to enter Moldova's territory without visas. [sentence as received]

"It is time to understand that the pressure on the Army reaches a critical point," KRASNAYA ZVEZDA writes commenting on the state of emergency in the Chechen Republic. Other newspapers also inform readers about the situation in this Republic.

International news focus on developments in Yugoslavia, the Middle East and Latin America. Newspapers report about the tense situation in Algeria. PRAVDA features a collection of responses by foreign news media to Sunday's meetings in Moscow.

International Affairs

Yeltsin Welcomes Arrival of International Aid

LD1002153792 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1200 GMT 10 Feb 92

[From the "Novosti" newscast]

[Text] International agencies are headlining reports on the supply of humanitarian aid to our country. The first of 27 Boeing aircraft carrying food has already landed at Sheremetyevo. A total of 12 aircraft will arrive in towns of the Commonwealth of Independent States [CIS] during the day.

Western commentaries convey the impression that the former Soviet republics have started reform and the transition from communism to a market economy, but that the economic confusion has so far only increased people's despair. There is today no hope of restoring to them the desire to work, so as to put an end to negligence and parasitism. This is the message conveyed by the commentaries.

In these circumstances, there is a need for urgent assistance from outside, for both material and moral assistance. The people's faith must be restored. This is why today's aid program bears the title Hope.

The scheme announced by President Bush to render urgent humanitarian aid to the CIS countries began today with five flights by U.S. military transport aircraft. Food will be delivered to Moscow and St. Petersburg, and medicines and medical equipment to Minsk, Kishinev, and Kiev. Large consignments of humanitarian aid will also arrive in Alma-Ata, Ashkhabad, Dushanbe, and Yerevan. In the next two weeks, U.S. aircraft will deliver a total of about 4.5 million pounds of food and medicines.

When asked whether this aid is sufficient, President Boris Yeltsin replied:

[Begin Yeltsin recording] Well, you understand, we cannot evaluate whether it is sufficient or insufficient. Humanitarian aid is a reflection of the opinions and help of people coming directly from below; it does not come through government channels. Therefore it cannot be evaluated. We must just express our gratitude that it is coming; that people on their own initiative wholeheartedly want to give some sort of assistance to Russia in establishing this reform in these difficult times. So we must simply express thanks for it, whatever sort of aid this may be. Therefore, we must not say whether we are satisfied or dissatisfied; we must simply express our gratitude. [end recording]

Deliveries Linked to Reforms

PM1002114392 Moscow IZVESTIYA in Russian 7 Feb 92 Morning Edition p 1

[Article by Yevgeniy Bay: "Russia Asks West for $17 Billion but Will Hardly Get Them Without Implementing Reforms"]

[Text] The news agencies report that Russia has asked the developed Western countries for $17 billion. However, foreign experts believe that it has little chance of receiving such extensive aid until it implements the economic reforms it has announced.

Addressing the U.S. Congress house subcommittee on banks, David Mulford, U.S. under secretary of the treasury, said that Boris Yeltsin had asked the United States and other countries of the "seven" for $12 billion to pay for import deliveries and $5 billion to stabilize the ruble. But in D. Mulford's opinion "no one will sit down right now and write a cheque for $12 billion" since there is a danger that "this money will disappear like water because of the lack of economic reforms."

Recently the impression has been formed that each of what B. Yeltsin calls our new allies is trying if not to help the CIS [Commonwealth of Independent States] then to create a semblance of participation or understanding of our problems. Here some are pursuing their own economic interests (Japan, for instance, states its intention to attach paramount attention to rendering aid to the Far East region) while others, somewhat dismayed at the rapid collapse of the former Union, are simply grasping at the first plan proposed. In particular REUTER has reported that Britain intends to channel emergency aid to Yeltsin's birthplace, to Yekaterinburg, since the Russian president has persuaded the British authorities that our outlying cities are suffering more from the crisis than Moscow or St. Petersburg.

But it is not even a question of the lack of comprehensive large-scale aid. Now that the winter is in full swing and food stocks in the CIS have been exhausted, the humanitarian aid announced in the United States in November has still not reached the shores of the former Soviet republics. An article in THE WASHINGTON POST sent by D. Hoffman, the newspaper's Moscow correspondent, notes that thousands of tonnes of dried milk and flour are awaiting dispatch at the ports of New Orleans and Houston and their delivery is being held up by the shipping companies.

In the correspondent's opinion, there are several reasons for that. First, G. Bush's administration and Congress, busy with their political campaigns and concerned with the U.S. electorate's dissatisfaction over the domestic economic situation, are slow to allocate large-scale aid resources equal to billions of dollars which were once spent on the struggle against communism. Second, to this day the use of the funds already allocated for these purposes has still not been set up. Third, both the government and private organizations will continue to struggle against the "nightmarish difficulties" in delivering this aid to the CIS countries.

The situation which has taken shape is explained more simply by Hoffman's colleague Mark Bauman in a Moscow newspaper: The West has understood that it has conquered the former Soviets and an end has come to the exhausting race. It is possible to ease up. The Russians do not seem to be dying of hunger and the shadow of a possible putsch, if it does loom on the horizon somewhere, is not yet hanging over their heads.

Poland was once rendered aid of $1 billion quite swiftly. At that time the Soviet Union still existed, with Staraya Square, the KGB, and missiles targeted on U.S. cities. Now there is no Staraya Square, the KGB has been reformed, and the missiles are targeted on the Universe. Nonetheless the United States and Canada are still only promising to help Russia get out of the crisis. "Everyone is taking impressive steps halfway to meet them," an announcer on French television's fifth program comments, "but the result so far is miserly." Only B. Mulroney has promised something specific—Canadian wheat.

But the U.S. opinion that "nothing terrible is happening" in the CIS is illusory. Russia is asking for financial and economic aid from the West because it has to. Without a powerful financial injection designed to stabilize the ruble and pay for imports, the crisis will be perpetuated in the country. And in the situation of mounting chaos the threat of the emergence of a new messiah under red banners will become increasingly feasible. And the struggle against it will cost the West more than helping the Russian democrats.

But the dilatoriness of the developed "seven" is entirely explicable: As long as the Russians subject themselves to ostracism, it is hard to give them an extensive credit of trust. In the years of perestroyka our society was reminiscent of the charters in Luis Bunuel's movie "The Destroying Angel"—by some malign will the people in a room cannot get out although the door is not locked. Now the door is open but we are marking time on the threshold and continuing to beseech aid from those who are free.

Japan Sends Aid to Vladivostok

LD0702215892 Moscow Russian Television Network in Russian 1700 GMT 7 Feb 92

["Vesti" report by reporter V. Skvortsov]

[Text] The Japanese Embassy announced today that the first batch of medicines and food will arrived in Vladivostok in February in the context of humanitarian aid worth $50 million. The Japanese do not wish to link this aid to Japan's special economic interests in the Far East. It is just a matter of geographical proximity and the practical implementation of the scheme. A list of specific recipients of foodstuffs and medicines has been readied. The recipients are old people's homes, hospitals, and children's residential homes.

Talks on $100 million in Japanese credit for Russia are close to completion. The republic will have to share this sum with other Commonwealth members. Still to come is discussion of more substantial credits of $500 million.

According to a counsellor at the Japanese Embassy, all this is possible as a result of our change of stance on the Northern Territories. The Russian leadership has expressed its willingness to discuss and seek a solution to this problem. This had prompted the Japanese Government to ease its position, which had always been based on a unity of economic and political interests, and to commence full-scale humanitarian aid.

Official Interviewed on Aid

LD1002093892 Moscow Russian Television Network in Russian 1249 GMT 9 Feb 92

[Interview with Akio Kawato, counselor at the Japanese Embassy in Moscow, by Vladimir Tsvetov; date not given; from the "I Beg To Speak" program—live or recorded]

[Excerpts] [Tsvetov] Our conversation today with Akio Kawato, counselor at the Japanese Embassy [title as heard], is predicated on the fact that on 10 February Japan is to send its first consignment of humanitarian aid to the states of the CIS [Commonwealth of Independent States]. Mr. Kawato, what kind of aid is this? What form is it in?

[Kawato] This is $50 million worth of aid we are offering at no cost, including medicines and food. That is the kind of aid.

[Tsvetov] Mr. Kawato, $50 million is a comparatively small amount for a country as economically powerful as Japan. Do you agree?

[Kawato] Well, it is said that you should not look a gift horse in the mouth. But seriously, this is not a small total for humanitarian aid given free of charge. It should also be kept in mind that there are countries in Africa and Asia which have a greater need for aid than the CIS countries. Furthermore, I should point out that the aid we are giving has been coordinated with other Western countries. For instance, part of this first consignment is to be delivered to the countries of Central Asia by American military aircraft from Turkey. It will have a greater effect than it may appear.

[Tsvetov] I see. Can you tell us who this aid is intended for?

[Kawato] This first consignment will be delivered to three cities in the Far East—Khabarovsk, Vladivostok, and Yuzno-Sakhalinsk—and to countries in Central Asia.

[Tsvetov] Are you not concerned that this humanitarian aid could be looted in our independent states?

[Kawato] Yes, we often see such reports in the press and on television. If that is the case, then we find it very regrettable. But we have put a lot of effort into avoiding such a possibility. For instance, we have already sent several delegations to the Far East and other regions to ascertain exactly to which institutions these medicines and foodstuffs should be given. But the question of entitlement to these supplies is primarily for the receiving country to decide. We have no resources for this, so we are relying on the honesty of the local administration and the Red Cross committee. [passage omitted]

[Tsvetov] Mr. Kawato, a new term has appeared in the lexicon of Japanese foreign policy—the broad balance policy. What does this mean?

[Kawato] This policy is founded on a new interpretation of old policies. As you know, previously there was a different interpretation which held that there could be no breakthrough in economic relations until the territorial issue was resolved. But we are now proceeding from the premise, so to speak, that the development of political relations and the development of economic relations should, as it were, exert a favorable influence on each other to produce a spiral kind of development in our relations. In the course of this process of spiral development the territorial issue should be resolved, of course, but the most important thing is that the resolution of the territorial issue is not in itself the aim of such a policy. So this spiral development in our relations should not end with the resolution of the territorial issue. On the contrary, such a resolution should provide a very firm foundation for the further development of our relations on an even greater scale. [passage omitted]

Legality of Returning Islands to Japan Examined

OW1002144892 Tokyo KYODO in English 1427 GMT 10 Feb 92

[Text] Moscow, Feb. 10 KYODO—Russian Deputy Foreign Minister Georgiy Kunadze on Monday [10 February] said Moscow must overcome a 1960 government memorandum that negated the 1956 Japan-Soviet Joint Declaration that included the return to Japan of two disputed islands. Kunadze told Japanese negotiators to the first round of working-level talks on a Russo-Japanese peace treaty that as the successor to the old Soviet Union, Russia must shoulder the duties of the international treaties concluded by the Soviet Union.

"It is no exception to include the 1956 Japan-Soviet Joint Declaration," Kunadze told the Japanese delegation headed by Japanese Deputy Foreign Minister Kunihiko Saito, adding that Moscow must overcome the 1960 memorandum by then Foreign Minister Andrey Gromyko rescinding the 1956 agreements.

During Monday's two-hour talks, Japanese negotiators, like the Russians, reiterated their legal and historical claims to the disputed islands off the eastern tip of Japan's northernmost main island of Hokkaido. The Soviet military took over the islands of Etorofu, Kunashiri, Shikotan, and the Habomai islets at the end of World War II and Japan has demanded the return of the disputed "Northern Territories" ever since as a precondition to concluding a peace treaty with Moscow.

In 1956, the Soviet Union agreed to return to Japan the smaller islands of Shikotan and the Habomai group as part of the joint declaration ending hostilities between the two nations. With the renewal of the security treaty with the United States in 1960, however, Gromyko declared the return of the islands had become impossible and demanded that all foreign troops be withdrawn from Japan as a condition for the return of the smaller islands.

Japan has maintained that as an international agreement Moscow could not unilaterally withdraw from the conditions of the joint declaration, while the Soviet Union, up until the time of President Mikhail Gorbachev, denied the existence of a territorial dispute with Japan.

On Monday, Saito reaffirmed tokyo's desire to conclude a peace treaty during Russian President Boris Yeltsin's scheduled trip to Japan in September. He added that if Moscow can agree in principle to the return of the islands to Japan, the details can be worked out later.

Kunadze remarked that he hoped the Yeltsin visit to Tokyo in September would be historic, adding that Yeltsin could not visit a "hostile" nation and hoped that he would make the call on a friendly nation. "At that time, we want to issue a joint statement for the sake of regulating new relations between Japan and Russia," he said, saying he wanted the declaration to express the spirit of partnership between the two nations and the development of bilateral relations.

Saito stressed the need for a "realistic approach" toward resolving the bilateral territorial dispute while adding that Japan, as a friendly nation, looks forward to welcoming the Russian leader in September.

Territorial Issue Viewed

OW1102112892 Moscow Radio Moscow in Japanese 1000 GMT 6 Feb 92

[Report filed by Tokyo correspondent (Kurukin) on prospects for concluding a peace treaty between Russia and Japan]

[Text] As everyone already knows, the fact that no peace treaty has ever been concluded between Japan and Russia constitutes one of the obstacles to the normalization of relations between the two nations. However, the settlement of this issue has now come to rely all the more on the sovereign rights of the four of the southern Kuril Islands, the return of which Japan is demanding. In this connection, Radio Moscow's Tokyo correspondent (Kurukin) states the following:

Statistics indicate that 49 territorial issues remain unsettled in the world today. Among them, no issue is so widely known as the issue of the four Kuril Islands of

Etorofu, Kunashiri, Habomai, and Shikotan. The prolonged conflict existing between the two nations on the territorial issue has been regarded as the main reason why no peace treaty—a basic document adopted for establishing any normal interstate relationship—has been concluded between the two nations since the end of World War II.

When considering the complex reasons for how this issue has come about, it can be seen that the settlement of the issue is certainly very problematic. Both Russia and Japan are capable of presenting some powerful arguments. However, it would be very difficult not only for the Russians but also for the Japanese to state with a 100 percent confidence that they have the priority right to develop and exploit these islands.

Nevertheless, as reality has shown, the most difficult issue can be settled through means such as dialogue and exchanges, expansion of contacts, respect for each other's position not as enemies but as partners, and efforts to seek points of contact. As can be clearly observed, efforts to promote Russian-Japanese relations have become increasingly active, and the process of negotiations on bilateral issues has begun to move onto the right track once again.

Foreign Minister Watanabe has visited Moscow, and Russian Foreign Minister Kozyrev is scheduled to visit Tokyo in late March. Moreover, it has been announced that Russian President Yeltsin will visit Japan in mid-September. It goes without saying that the issue on concluding a peace treaty will be discussed at these meetings. The question lies in whether or not concrete measures will be worked out to settle this issue in the near future—for example, at the Russian-Japanese summit talks scheduled for September.

It is not hard to notice various conflicting speculations or observations on this issue now circulating in Tokyo. For example, the KYODO News Agency and NIHON KEIZAI SHIMBUN have recently reported that Prime Minister Miyazawa intends to achieve in principle an accord on concluding a peace treaty during President Yeltsin's visit before disclosing plans for promoting economic cooperation.

The day after this report, however, Chief Cabinet Secretary Kato denied it, saying that the government had never cherished such optimism even for a moment nor thought that the territorial issue could be settled within such a short period of time. At any rate, [words indistinct] it is quite evident that efforts are now being made to settle the difficult problem of the Kurils.

For instance, while paying special attention to various problems faced by Kuril residents, for whom the islands have become home, the Japanese Government has already worked out plans for settling these problems once the islands are returned. According to news reports circulated in Japan, Prime Minister Miyazawa has stated that the government is studying the possibility of offering special status to the residents of the southern Kurils to guarantee their permanent residence and housing.

Will such a statement lead to the settlement of the issue? What is most important is that the issue can be settled through such measures as close contacts and talks. The two sides are well aware of the importance of the issue, as well as the reality of the situation surrounding the issue. In this connection, the special working-level group on the peace treaty set up under the Russian-Japanese foreign ministerial consultations will resume operation, and the group's next session is scheduled in Moscow on 10 and 11 February.

Kurils Transfer Encouraged

LD0902025592 Moscow POSTFACTUM in English 1820 GMT 8 Feb 92

[From the "Politics" section]

[Text] Juhzny-Sakhalinsk—In Valentin Fyodorov's words, a chief initiator of the transfer of the Kurils to Japan is RF [Russian Federation] Minister of Foreign Affairs Andrey Kozyrev. The head of Sakhalin administration Valentin Fyodorov also told PF [POSTFACTUM] on February 6 that Andrey Kozyrev is assisted in his active endeavors to achieve the transfer of the Kurils to Japan by certain people in the government of RF President Boris Yeltsin. Fyodorov promised to make public in the immediate future names of Kozyrev's supporters in the Russian Government.

Meeting With Japanese 'Hopeful'

LD1002185692 Moscow TASS in English 1709 GMT 10 Feb 92

[By ITAR-TASS correspondent Aleksey Luzin]

[Text] Moscow February 10 TASS—Russian and Japan officials met in Moscow today to discuss a peace treaty between the two countries in an atmosphere described by a Russian diplomat as promising.

The start of a meeting of the working group, preparing the peace treaty, was fruitful and hopeful, Deputy Russian Foreign Minister Georgiy Kunadze told TASS.

The sides are steadily moving towards a peace treaty, have similar views on several issues, but are still at loggerheads over a territorial dispute, involving several islands of the Kurils chain, he said.

Commenting on a statement by Russian People's Deputy Nikolay Pavlov at a Congress of Civil and Patriotic Forces on Sunday [9 February], in which he said that the Russian Foreign Ministry had submitted a memo to Boris Yeltsin proposing to give several Kuril Islands to Japan, Kunadze said that "such statements are a provocation, they incite public opinion and harm Russian-Japanese relations."

First Round of Talks Ends

OW1102132592 Tokyo KYODO in English 1312 GMT 11 Feb 92

[Text] Moscow, Feb. 11 KYODO—Japan and Russia ended their first round of peace treaty talks Tuesday [11 February] with both sides describing them as "constructive," Japanese officials said.

Vice Foreign Minister Kunihiko Saito and his Russian counterpart Georgiy Kunadze agreed to hold the next round of the working-level discussions in Tokyo.

According to Japanese diplomatic sources, the next round will likely take place near the time Japan's Foreign Minister Michio Watanabe visits Moscow in May or June.

On Monday [10 February], Kunadze said Moscow must overcome a 1960 government memorandum that negated the 1956 Japan-Soviet joint declaration accepting the return to Japan of Shikotan and the Habomai group of islets.

The former Soviet Union, however, abandoned the memorandum in 1960 after the Japan-United States Security Treaty was renewed the same year.

The two smaller islands off Hokkaido as well as Kunashiri and Etorofu were seized by the former Soviet Union at the end of World War II.

Japan has made the return of all the territory a precondition for concluding a peace treaty.

Shaposhnikov, Gaydar on Talks With France

PM1002165192 Moscow KOMSOMOLSKAYA PRAVDA in Russian 8 Feb 92 p 1

[Report by N. Dolgopolov and M. Chikin from Paris: "You Should Not Look a Credit Horse in the Mouth (Gaydar's Joke). How B. Yeltsin's Visit to France Ended"]

[Text] **Diplomacy**

Yeltsin and Mitterrand signed a French-Russian treaty in the Elysee Palace in a ceremonial atmosphere. How does it differ from the one signed recently, which was more or less the same but was signed with the ex-USSR? France recognizes that Russia is the successor to the former Soviet Union and that the Union [as published] of Independent States has now been formed. We are mindful that the EC states have adopted a decision on the creation of a European Union. The rest is largely for all practical purposes mainly a rehash of the previous documents and protocols. Admittedly, the text contains far fewer bureaucratic words, which the French rightly call "wooden."

Defense

No one can answer these questions better than Marshal Shaposhnikov.

[KOMSOMOLSKAYA PRAVDA] What is your reaction to the French proposal that they could participate in the dismantling of our missiles? In Moscow you had doubts about this. What about in Paris?

[Shaposhnikov] We now have a great many proposals on their movement, dismantling, protection, and distribution. My answer to everyone is as follows: We have sufficient experience. We will cope on our own. It is another matter if they have some kind of proposals on technology for reprocessing weapons-grade uranium and plutonium for peaceful purposes. [Shaposhnikov ends]

The Economy

The president spoke the truth to the French industrialists when he said: "At the moment our young bureaucracy is uncorrupted. And we must make the most of this. Everything should be geared to the Russian market. We do not expect any upheavals. We will pay our debts. I do not intend to worry you, but I am saying to you: Do not delay. The Italians will get in ahead of you. We have enough gas for 200 years—both for you and for ourselves. A tax law will soon be adopted. Take gold as security, we will increase the gold reserve, and this will be a guarantee for you. Privatize everything, even for rubles, and then reinvest."

We asked Yegor Gaydar for some comments and explanations:

[KOMSOMOLSKAYA PRAVDA] Yegor Timurovich, the credit you have been given is nothing other than the previous credit to the former USSR. Is it automatically transferred to the Union's successor?

[Gaydar] No, not automatically. This money was not "working" then, and could not "work."

[KOMSOMOLSKAYA PRAVDA] But after all, the money itself is not leaving France anyway. We receive it in the form of grain, beef, and equipment. We eat and use the equipment, and remain in debt.

[Gaydar] Do you know the saying about the gift horse?

[KOMSOMOLSKAYA PRAVDA] How was your idea about the creation of a ruble stabilization fund developed at the talks?

[Gaydar] The reaction was positive. When Russia becomes a full member of the IMF, the French and the British will support this idea. [Gaydar ends]

So why do the French not want to develop our market then? During these three days local entrepreneurs stressed several times that they will move into the East when only they receive 100 percent guarantees against failure.

New Ambassador Lukin on Washington Appointment

LD0702220792 Moscow TASS in English 2052 GMT 7 Feb 92

[By ITAR-TASS diplomatic correspondent Vasiliy Titov]

[Text] Moscow February 7 TASS—It is of vital importance for us to cement our good relationships with the U.S. since it can effect the run of events in Russia in different ways, the newly appointed Russian ambassador to the U.S. said in a press conference in Moscow today.

All depends on how effectively the activities of the embassy are utilised in putting into practise the new foreign policy line adopted by the Russian leadership. The new course will be directed towards making Russia enter a new world community of civilised democratic states, a compromising decision of all big international problems, when all sides become the winners. This is a transition from the path of bipolar confrontational situation with the Western democratic world to the situation, when "we all become friends and allies as well".

The new Russian ambassador intends to start his work up on arrival in the U.S. with a careful analysis of the embassy's potential, which he sees, on the whole, as "quite high". Vladimir Lukin named the presidential structures, the Congress, the East and West coast business circles, the intellectual elite and American press the main source of his diplomatic aspirations.

Speaking of the probable date of his arrival in Washington, Vladimir Lukin said, it will be either the end of February or the beginning of March.

Recent Diplomatic Appointments Announced

PM1002123192 Moscow IZVESTIYA in Russian 7 Feb 92 Morning Edition p 5

[Report by Gennadiy Charodeyev: "'Appointments Parade' In Russian Foreign Ministry Continues"]

[Text] The world news agencies are noting that serious reshuffles have occurred in key posts in the Russian diplomatic service.

The president recently signed decrees on new appointments in the Foreign Ministry. Vladimir Lukin, who used to head the Russian Supreme Soviet committee for international affairs and foreign economic relations, has been appointed ambassador to Washington. This nomination has been approved by U.S. President Bush. V. Lukin's colleagues in parliament describe him as follows: He is known for his tough, independent stance on a number of questions of the Russian state's foreign and domestic policy, including with regard to the Ukraine, the problem of economic reforms, and the Army. He himself has commented as follows on his appointment: "I feel that I am not an internal bureaucrat of the Foreign Ministry but on temporary assignment from Russian democracy."

Nikolay Solovyev, Russian ambassador to China, has been relieved of his duties in connection with his reassignment. It has become known that he will remain in the Foreign Ministry in leading work, he is valued there as a first-class specialist.

By a decree of B. Yeltsin Igor Rogachev, former USSR deputy foreign minister, has been appointed ambassador to Beijing. He is well known in our country and abroad as a practical expert in the field of problems of the Asian and Pacific region. Incidentally, I. Rogachev was born and grew up in the family of a hereditary Sinologist. He has a brilliant knowledge of the Chinese language and is well acquainted with the country and its history, traditions, customs, and policy.

Artur Kuznetsov has been appointed Russian ambassador to the Estonian Republic. The cadres administration has announced that the future diplomat was born in 1945 and graduated from Tartu University. For many years he worked at the republic's Academy of Sciences and until recently he was a minister in the Estonian Government. He knows English, German, and Estonian.

By decrees of the president Nikolay Yelizarov has been appointed ambassador to Venezuela and the Dominican Republic, Yuriy Fadeyev has been appointed ambassador to the DPRk, and Sergey Razov has been appointed ambassador to Mongolia. They are all professional diplomats with a knowledge of the regions where they are to work.

According to information at the editorial office's disposal UN Secretary General Butrus Ghali has signed an order (which will be made public later) on the appointment of the well known Soviet diplomat Vladimir Petrovskiy to the post of UN deputy secretary general for political questions. The Russian Foreign Ministry is so far refraining from any comment. V. Petrovskiy himself has flown urgently to the United States.

The reshuffles in the Russian diplomatic service have been almost a sensation for many observers. After all in the traditions of the former Soviet Union it was always the case that if someone was made an ambassador it almost always meant his political death and disgrace. The situation has changed today. It seems to me that V. Lukin spoke most intelligibly for all the new ambassadors: "You must understand that if someone suddenly leaves the country, even when he is appointed to such a responsible post, that means that either he is very much needed in Washington or not needed very much in Moscow."

At the Russian Foreign Ministry cadres administration we were told that the "appointments parade" will continue. The apparatus of the former Union ministry which, according to cadres workers, is "in a state of liquidation," still numbers about 4,000 people. Soon many of them will be laid off and others, without waiting to be laid off, especially the young talented diplomats who are lured by high salaries, are leaving of their own accord. They are already in great demand in the new commercial structures.

Federation Affairs

Rutskoy Speaks at Civic, Patriotic Congress

Working on 'Correctional' Measures

LD0802193192 Moscow Russian Television Network in Russian 1807 GMT 8 Feb 92

[From the "Vesti" newscast]

[Text] Our country's standing as a power is now the question, Russian Vice President Aleksandr Rutskoy told a Congress of Civic and Patriotic Forces meeting in Moscow toady. He called government reforms a democratic experiment on the people. The vice president announced that 28 well-known economists on his instruction are working on a package of correctional measures regarding the government's reform program to be published in about 20 days. However, Rutskoy stressed that these are not countermeasures; it is just that the government program needs serious corrections. With this last remark, the vice president will evidently be able at least to tone down his reputation as an oppositionist. I will remind you that all this was said at a Congress of Civic and Patriotic Forces.

Assails 'Economic Genocide'

LD0902064992 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1800 GMT 8 Feb 92

[Remarks by Russian Vice President Aleksandr Rutskoy at the Congress of Civic and Patriotic Forces of Russia in Moscow on 8 February; from the "Novosti" newscast—recorded]

[Text] Much of what is being done today on the political and economic plane is being done without love, without love for one's people, one's fatherland. But there is one result: the implementation of a policy of economic genocide against the Russian population. We still have a way out today: the introduction of an economic state of emergency. A social explosion may occur. And God forbid that those who came to power in 1917 should come to power!

Country 'Ravaged' by 'Profiteering'

LD0902011192 Moscow POSTFACTUM in English 1532 GMT 8 Feb 92

[From the "Politics" section: "Rutskoy Reflects on Economic Policy of Russia"—POSTFACTUM headline]

[Text] Moscow—Says Aleksandr Rutskoy: The Government of Russia is conducting a policy of economic genocide against the Russian population.

Delivering his February 8 speech at the Congress of Civil and Patriotic Forces, RF [Russian Federation] Vice President Aleksandr Rutskoy said among other things: It is indispensable that the state of economic emergency be introduced in the country...we should revive the Russian entrepreneurship. The country is ravaged by the fever of profiteering, although it is the Russian entrepreneurship, the Russian class of merchants in whom the strive to revive Russian traditions of enterprise is inherent.

In Rutskoy's words, it is necessary to carry out the real liberation of exterior economic transactions for physical and juridical persons alike, to develop private ownership in the country side. The shadow economy exists also for the reason that there still are dozens of hindrances and shackles on the way of an entrepreneur, something of which the Russian Government is oblivious. A normal market in Russia will not have appeared until there has appeared the normal Russian money. It is necessary to impose order in the tax policy. The economic reforms should be naturally in conformity with reforms in the sphere of culture, emphasized Rutskoy.

He also made a point of the fact that the collapse of the Russian statehood is pursuing the collapse of the USSR. Russia is not subject to division, since it is the stronghold of not just Euro-Asiatic but the universal global balance, said Rutskoy.

In his opinion, the patriotic movement in Russia is facing a threat of an alienation. We should say no to extremism in black colors. They do not belong in the ranks of patriots. Rutskoy defined as moving forces of the patriotic movement in Russia women and mothers of Russia, clergy and intelligentsia, youth and students, officers, war veterans, including veterans of Afghanistan, representatives of industrial top officials, agricultural leaders, as well as farmers and entrepreneurs.

Further Reportage on Civic, Patriotic Congress

Internal Disputes Mar Congress

PM1002145692 Moscow PRAVDA in Russian 10 Feb 92 p 3

[Valentina Nikiforova report under the "Parties, Movements" rubric: "Russia Has Its Pride"]

[Text] It cost the organizers considerable effort to bring together for the Congress of Civic and Patriotic Forces of Russia 2,500 representatives of various parties, parliamentary factions, leagues, and societies. It seems that the noble goal of uniting healthy patriotic forces to avert national disaster is interpreted, alas, in various ways, and this immediately became apparent.

Some people, in their speeches, offered the explanation that the dominant forces in the country's political life have openly embarked on a path of antipopular, antinational policy. Others were prepared to offer their own programs for emerging from the economic and political crisis. Others again called for concrete actions to save the Fatherland...

For a first gathering, it was more important to unite than to take sides. And when Russian People's Deputy N. Pavlov proposed that they stand to honor the memory of patriots, from [14th century monastic] Sergiy Radonezhskiy to the heroes of the Great Patriotic War, there seemed to be progress. It looked as if the idea of a Russian, Russia-wide conciliarism would come back to life with this congress. But then there was a hitch, when D. Vasilyev called the members of the organizing committee usurpers...

It is annoying. How long can we go on entertaining those who hate Russia with internal scandals where everyone lays claim to the final truth? Had we better not remember our pride?

'Russian People's Assembly' Formed

LD1102035792 Moscow POSTFACTUM in English 1824 GMT 9 Feb 91

[From the "Politics" section]

[Text] Congress of Russian civil and patriotic forces goes on. Participants in the congress established a Russian People's Assembly but failed to elect its leadership. On February 9, RF [Russian Federation] People's Deputy Viktor Aksyuchits, the chairman of the organizing committee of the assembly, proposed that the members of the organizing committee be elected members of the Central Council of the Russian People's Assembly. As a respond to the proposal, representatives of the Russian Party of National Revival (RPNR) blamed the organizing committee which, in their view, is trying to create a pocket opposition to back the Yeltsin government from the right and to dishonor the Russian idea. RPNR members spoke against participation in the assembly of the Russian Christian-Democratic Movement, the Constitutional Democrats Party and the Russian All- People Union.

According to the initiators of the assembly, all representatives of political, public, cultural and educational organizations, as well as individuals, are rallied around by the following political principles: ... The RSFSR [as received] should be recognized as a successor of the Russian empire and the USSR with all the ensuing political and legal consequences. All agreements and treaties which caused the country's split and violation of national and state interests of Russia should be ruled as anti-constitutional. The territorial integrity of the RSFSR should be preserved and restored according to the state administrative-territorial principles. The new federation should combine the principles of local self-governing and equal rights for national and cultural autonomies for every citizen irrespective of nationality. The foreign policy of Russia should not run counter to the national interest of the country.

Initiators of the assembly believe as their first priority the following goals: to preserve the unified Armed Forces under the RSFSR jurisdiction as a legal successor of the former USSR; to provide efficient support for peoples who voted during local referendums for re-unification with Russia; to protect political and economic rights of Russian nationals and pro-Russian population in the neighbor republics; to rule as illegal the 1954 act on transfer of the Crimea region to the Ukraine; to bring all the territory of the South Ossetia Republic under the Russian Federation jurisdiction in accordance with the results of the referendum held in Ossetia; to denounce the USSR-USA treaty on the Bering Sea space; and to denounce the 1956 declaration with respect to the Maly Kuril chain.

The statement adopted on February 9 by participants in the assembly says that it is obvious that the ideological and political course of the Russian Government is directed against Russia's national interests and could not protect rights and freedoms of Russians. Democracy and patriotism these are the principles of civil rights: historic responsibility and the will of the nation. The Russian National Assembly believes it vital important to stop the disruption of statehood and start real restoration and construction of a historic Russian state. The first priority measures are: to prevent the disintegration of state, to stop political and economic chaos in the country, to suppress the crime rate and to provide a decent existence of the Russian state.

Under the statute of the assembly, the Russian People's Assembly (RPA) is a mass public and political movement of patriots supporting the ideas of Russia's revival. Any individual above 18 who supports the goals of the RPA and obeys to the present statute may become a RPA member. The supreme body of the RPNR is its congress which is convened when necessary but not later than once a year. In the periods between congresses, the supreme body of the RNA [as received] is the central council of the assembly. It is also stipulated in the statutes that the RPA's territorial structures are formed in accordance with the administrative structure of the Russian Federation, the former USSR republics and election districts.

Need To 'Control' Media

LD1102050392 Moscow POSTFACTUM in English 1824 GMT 9 Feb 92

[From the "Politics" section: "Russian Deputy Thinks It Necessary To Censor Mass Media"—POSTFACTUM headline]

[Text] Moscow—Russian Federation Supreme Soviet member Vyacheslav Polosin: It is needed to create a public committee to control the Russian mass media. Speaking on February 9 at the Congress of Civil and Patriotic Forces in Moscow, Russian Orthodox Church priest, Russian Federation Supreme Soviet member Vyacheslav Polosin said: The Russian mass media is in hands of those who don't love their motherland. A second echelon of communists, less skilled and without any principles, is in power.

Leaders Hold News Conference

LD1102052192 Moscow POSTFACTUM in English 1907 GMT 9 Feb 92

[From the "Politics" section: "Civil and Patriotic Forces' Congress Ended in Moscow"—POSTFACTUM headline; punctuation as received]

[Text] Moscow—Viktor Aksyuchits: According to some journalists, media was ordered to misinterpret the work of Russia's civil and patriotic forces' congress. Speaking at the press-conference dedicated to the results of the congress and held on February 9, Viktor Aksyuchits, chairman of the congress and Russian people's deputy, said: Russian Television puts all sorts of obstacles in order to prevent me and some my colleagues, who are also people's deputies of the Russian Federation, from addressing the people on the television. Aksyuchits characterized the work of the congress as very fruitful and stressed the importance of the establishment of the new social and political organization, the Russian People's Assembly (RPA).

According to Aksyuchits, the RPA Central Council was comprised of 69 members. We may lack some constructiveness at present, but we are learning, we make only the first steps,—said Aksyuchits. When asked who financed the congress held for 2 days in Moscow's major cinema, the Russia Cinema, Aksyuchits said: that it was financed by a number of commercial enterprises, but refused to reveal their names because of the threats they receive in connection with financing our congress.

Speaking about the RPA's connection with trade unions and its involvement in the working-class movement, Mikhail Astafyev, leader of the Constitutional Democratic Party, member of the RPA Central Council, and people's deputy of the Russian Federation, said: As the course pursued by the Russian Government is aimed at destroying industry, which, in turn, will lead to higher unemployment, the working-class movement is growing. And we are ready to cooperate with this movement ... We stand for a sensible and profitable for Russia conversion of military enterprises. But the policy pursued by Yeltsin and Gaydar makes it possible to predict unemployment.

Scientific potential is being destroyed under the pretext of disarmament. The military-industrial complex, which has the most skilled workers, is not our enemy but an ally in reviving the Russian state,—stressed Nikolay Lysenko, leader of the National- Republican Party of Russia and the RPA Central Council member. When speaking about the Russian Vice-President Rutskoy's address to the congress, Aksyuchits stressed: Aleksandr Rutskoy spoke as the vice- president. He can not be regarded as the leaders of our organization, but the RPA will support him.

Sergey Baburin, leader of the Russian People's Congress and people's deputy of the Russian Federation, said, when asked to comment on the results of the congress, that they are not ready to go into the constructive opposition to the Russian Government because such an opposition requires cooperation with the government of Yeltsin, Gaydar and Burbulis. We refuse to cooperate with such a government and will form a force that will be alternative to the Russian Government. This is the angle under which the Russian civil and patriotic forces' congress views its goals.

Commentary Views Congress

PM1102130992 Moscow SOVETSKAYA ROSSIYA in Russian 11 Feb 92 p 2

[Report by V. Litov: "Against Alien Course; Notes from Congress of Civic and Patriotic Forces"]

[Text] "This congress is a cheap show. The people who used to be democrats today, having become bankrupt, are urgently turning into patriots. When people are completely disillusioned with Yeltsin, as has happened with Gorbachev, a replacement is already being prepared in the shape of Rutskoy. But the same forces which have yet again duped the people will remain in power. We who struggled against the destruction of the state when it was only beginning have not been allowed to speak here."

(Ye. Kogan, people's deputy of the former USSR and one of the leaders of the "Soyuz" deputies' association).

"The scales fell from many people's eyes after 8 December, when in Belovezhskaya Forest Yeltsin and the other 'sovereigns,' without bothering with even the semblance of observing the law, declared a great state to be nonexistent. Yes, among the organizers of the Congress there were those who defended the 'White House' against the putschists. But no one supposed at the time that this would be followed by the collapse of the country. We cannot let slip what is virtually the last opportunity to unite and consolidate the heterogeneous forces which advocate its conservation. The Communist accuse us of being 'turncoats.' But is it not the former Politburo members who asserted their loyalty to the Union who are pulling it down in their capacity as 'sovereign' presidents?"

(V. Solokhin, member of the Moscow organization of the National Republican Party of Russia).

Of the many statements by participants and guests of the 8-9 February Moscow Congress of Civic and Patriotic Forces which I taped, I have chosen these, since it was in this key that the debate on ways of creating a bloc of political and public movements developed at the forum and around it. A bloc capable of halting the continuing disintegration of the country and embarking on the resurrection of Russia, which as a result of the latest experiment, aptly described by one organizer of the Congress as "pseudodemocratic languor," has found itself on the verge of death.

I know well and respect Yevgeniy Kagan, one of the few union parliamentarians openly and boldly to have opposed the antistate and antipopular course of M. Gorbachev and B. Yeltsin when their "democratic" and "panhuman phraseology" still confused many people. But I can in no way agree with his words about the "cheap show." And not only because in the auditorium and indeed among the speakers I saw many people who had proved not in words but in deeds their patriotism and their ability to defend the Russian people's interests—Russian parliament deputies S. Baburin and N. Pavlov; S. Umalatova, people's deputy of the former Union; and representatives of the Russian-speaking population of the Ukraine, the Baltic republics, Moldova, and the Caucasus. In the speeches of the leaders of the parties which recently left the "Democratic Russia" bloc—the Christian Democratic Party, the Constitutional Democratic party, and others—I by no means sensed the opposition's traditional desire to "win points" by criticizing the government's unpopular actions. There was talk not only and not so much of particular leaders or even of the government's resignation. The question was realised of the radical renunciation of the organization of the course alien to the Russian people which is being pursued by the present authorities to the virtual dictation of the Western powers headed by the United States. It looks as though the organizers themselves did not expect (and at the concluding press conference they admitted this) this pitch of passions and powerful eruption of anger and pain for the fate of a great state which, as the Congress concluding statement stressed, is being destroyed "by the ambitions of former party secretaries and the Utopian ideas of their advisers." It is no accident that mass media, and especially the "Vesti" television program, which fawn before them, really lost control in illustrating the alleged "chauvinist-fascist" danger by endlessly showing from various angles "Pamyat" leader D. Vasilyev who, incidentally, got into the congress without an invitation with a noisy group of his supporters...

Of course, one can understand and even share what are, to put it mildly, the negative emotions which eminent figures of the patriotic movement feel toward the former "Democratic Russians" who in the past did a lot by their actions and calls to promote the collapse of the state and the advent to power of antipopular forces. But one's attitude toward potential allies in the struggle for the country's resurrection can hardly be built on emotions, even the most noble emotions. Especially as the change in these potential allies' positions is connected to a considerable degree with the increasing speed with which broad public circles are sobering up from their ersatz democratic illusions.

That in no way means, of course, that the danger of "the initiative being seized" by selfish political groups under cover of new patriotic slogans can be discounted, and that thought was also heard at the Congress. It was obviously instilled by the speech delivered by Russian Vice President A. Rutskoy who, having formally accepted patriotic slogans, is still not making up his mind to "burn the bridges" which link him to the present Russian authorities. Actually, the vice president did not actually join the leadership of the Russian People's Assembly created at the Congress although, to judge by individual elements of his speech, he is not averse to holding this possibility in reserve for the future.

As for the commercial circles standing behind the organizers of the Congress, about which quite a lot has been said in the press, one can hardly draw any serious conclusions from the fact that they financed it. As is well known, in the past the most farsighted Russian entrepreneurs gave money for the struggle against the czarist regime, from which it does not of course follow that the revolutionary movement in Russia was financed by industrialists and merchants.

The only serious rebuke one can level against the organizers of the Congress is that they are excessively obsessed with anticommunist themes and the blatant idealization of czarist Russia, which in a number of speeches was presented almost as paradise and a model for the harmonious development of different peoples within one state. To believe some of the speakers, had it not been for the evil Bolsheviks who destroyed and divided Russia in 1917, that paradise would have continued to this day. Truly, our veneration of the past is in inverse proportion to our knowledge of it, particularly when that knowledge is artificially forced into the rigid parameters of new party dogmas! Indeed, the present powerful anticommunist element in the program documents of the Russian patriotic organizations is I think of a purely opportunist and superficial nature. Not a single people in the world either by virtue of specific historical features or in terms of their national psychological traits is so close to the ideals of selflessness, conciliarism, love for people, and justice—to the ideals which lie at the basis of communist ethics and morality. And sooner or later nature will have its way. Let us recall finally how Christian teaching was persecuted and reviled yet it outlasted its "prohibitors" by many centuries...

And one more thing perturbs me. Is there not emerging in the new patriotic movement a chronic bias toward idealistic hopes and incantations which is preventing the establishment of specific practical actions? Will it not be engulfed by its customary inertia involving pointless sessions with countless conferences, meetings, and coordination councils? To be honest, if Minin and Pozharskiy had regularly visited the sessions of all kinds of coordination councils, not only would they have never reached Moscow, they would never have gotten as far as the next village with their levy! I say this because I did not see in the representative meeting's inaugural documents a clear program of practical actions with specifically scheduled stages.

Congress Leaders Interviewed

OW0702133492 Moscow INTERFAX in English 1107 GMT 7 Feb 92

[From the "Nation & Society" feature; transmitted via KYODO—first paragraph is introduction]

[Text] One of this weeks more significant events is the Congress of Civic and Patriotic Forces set for February 8-9. According to the initiators, the purpose of the congress is not only to constitute a constructive opposition to the government, but also to create a political block against both radical left- and right-wingers. The Russian National Union [RNU] and the Constitutional Democratic Party are among the organizers of the congress. Today we feature an interview with the leaders of these organizations.

RUSSIAN NATIONAL UNION WANTS YELTSIN'S POLICIES CORRECTED

Another member in the Congress of Civic and Patriotic Forces is the Russian National Union. IF's Victor Akimov talked with its leaders Sergey Baburin [S.B.] and Nikolay Pavlov [N.P.].

Corr.[Correspondent]: The name of your organization does not in any way reflect its ideology. Does this mean that the RNU does not have a political agenda?

Sergey Baburin [S.B.]: I don't believe we pursue a political line, but we do have a civic position. The Russian National Union seeks to build a new society without upheavals, anarchy and chaos. In our opinion, today's Russian leaders are steering toward the breakup of the /Russian/ [slantlines as received] state, and the Russian National Union is seeking an altered political line. Meanwhile, there is virtually no opposition in Russian parliament at the moment. In the vote on the dissolution of the federative state by the three leaders (Russian, Ukrainian and Belarussian) who disregarded the returns of a referendum in favor of continued existence of the Soviet Union, there were only six opposing votes and seven abstentions.

Nikolay Pavlov [N.P.]: A question of pivotal significance was decided in one fell swoop. We are convinced that there is a chasm between the opinion of the majority of people and the Supreme Soviet. Given that, the opposition is left to seek support outside the parliament. This is why we decided to establish the movement. It is different from a political party in that it calls for the involvement of the silent majority, on behalf of which politicians are so fond of speaking, into a broad-based coalition. In September 1991 an organizing committee was set up to create the new movement, and a congress was held on December 21. It was attended by more than 600 delegates from various regions of the country representing 22 parties and movements. Thus the Russian National Union was born.

Corr.: Broad-based apolitical movements more often that not lack a serious social base, are shapeless and short-lived. What kind of a social base are you planning to have?

N.P.: At the moment we are not legally associated with a political body because the Russian National Union has not yet been registered. Our potential allies fall into two categories. One is patriotic movements on the model of the Russian Party of National Revival or the Russian Union and small regional patriotic organizations. The other is left-wing successors to the Communist Party, for example, the Socialist Working Party.

S.B.: Whether or not a group is a member of the Russian National Union doesn't matter to us. It is more important to enlist the support of those who stay out of all parties today. This kind of people form the membership of the Union's regional chapters. The Union's attacks on the decline in living standards were initially backed by those who live on fixed incomes. But I am convinced that business people would join us too. The Union seeks the passage of laws protecting them from Western business. If, as our opponents suggest, Russia swings open the gate to transnational corporations, our domestic businessmen will be ruined. Russian private business is in its infancy, and is no match yet for foreign businessmen.

Corr.: Who are your chief opponents and what are your main disagreements with them?

Those who call themselves liberal democrats. Thanks to them, patriotism and democracy, those essential concepts, are divided in the public mind. Unless they become one, a country cannot have a really civic-minded citizen.

N.P.: Russian ethnic and state development has also been misunderstood. Russia has been described as an "empire", a "prison of peoples", and "self-determination" is proposed to all who are willing to choose it. We believe that Russia is a single country, a historically formed entity consisting of more than 100 ethnic groups. The dissolution of their ties will inevitably lead to a catastrophe of geopolitical scale. The border issue /borders between the former Soviet republics/ [slantlines as received] is the most complex one, we believe, because borders were drawn in an arbitrary manner by Stalin and are not demographically correct. It would be criminal to hope to avoid bloodshed while dismantling a united state but keeping intact the borders that were arbitrarily drawn up by a tyrant.

S.B.: Division will not lead to peace. We had independent republics in Krivoy Rog, Donetsk and the Far East after 1918. As time passed, they were forced to unite. I am convinced that this time around, we will be forced, eventually, to return to a single state. The forces opposed to the Union act on the false idea of a conflictless world development. They demand that the army be reduced, the KGB be forced to reveal their secrets and that the "spy mania" be stopped. We are convinced that competition for resources and markets—the engine of world history—will intensify and that army cuts can deal a blow to our defenses.

Corr.: What steps, from your standpoint, may pull this country out of the crisis and stabilize the situation?

S.B.: Presidents of all the former Soviet republics must negotiate a return to a single federative state within the 1945 borders with a common monetary system, army and parliament. This is the key to a market economy. This leap into a new economic system the Russian government is taking calls for an active governmental role. It is wishful thinking to hope that prices and taxes alone may be enough to manage an economy burdened by giant monopolies and a 90% state sector. The Union demands the resignation of the ministers who let the economy drift. We want a manageable economy. We call on the Russian president to form a government the population would trust. We can break the crisis by joining forces, not by following a narrow foreign doctrine.

CADET PARTY: PATRIOTIC INTELLIGENTSIA WILL SAVE THE COUNTRY

Three political organizations—the Russian Christian Democratic Movement, the Constitutional Democratic Party and the Russian National Union—plan to join forces at the Congress of Civic and Patriotic Forces set for February 8 and 9. IF's Victor Akimov talked with the chairman of the Constitutional Democratic Party Mikhail Astafiyev [M.A.]. Below is the transcript of the conversation:

Corr.: What's behind the plan to merge these parties that embrace different ideologies?

Mikhail Astafiyev: Nothing could be worse for Russia than its breakup, thus political parties are uniting in an attempt to avert this. A union of right-of-center parties is emerging. More than thirty groups, including religious organizations and Russian ethnic minority groups in the republics, etc. have made public their plans to be involved. We seek cooperation with all quarters, save for extreme right- or left-wingers. We have a special relationship with the Russian National Union—special in the sense that the organization was formed by members of the parliamentary group Russia which opposed Yeltsin and "Democratic Russia" for quite a long time. The Union inherited numerous dogmas from them. But as life goes, everyone is forced to change. Today the Union concedes that democracy and patriotism are different sides of the same coin, and we subscribe to this approach. What's more, we support the Union's line against censorship abuses, imprudent economic policy and for the defense of national Russian interests. This forms the basis of our coming together. In short, in contrast to the Cadet Party that existed before the Bolshevik revolution of 1917, we seek to rally together opposing forces on the idea that Russia is our common home and that we must all live together and seek accord here.

Corr.: The Cadet Party regarded as its biggest mistake the statement that "it had no enemies on the left." This, they said, led to the October Revolution of 1917. What is the greatest danger today, in the opinion of the Cadets, and what have they inherited from their political predecessors?

M.A.: The gravest danger is social destabilization. To be sure, during historical watersheds, when many things are done for the first time, no one can predict the outcome. It is unlikely that anyone realized in February of 1917 what would transpire in October. But we must learn from our mistakes.

To a large extent we view ourselves as successors to the Cadet Party that existed from 1905 to 1918. This was the only democratic party that came out in favor of preserving the unity of our country, insisting on territorial integrity and cultural autonomy for its ethnic groups. We uphold this approach today. We have taken whole chapters from the Cadet program of the beginning of the century, those on the nationalities issue, human rights and civic freedoms. The Cadet Party made a comeback last September when it was registered as a national Russian party. The party is small and will stay small. Its sympathizers are not, as a rule, political and party activists. Our party is based on the idea that society needs parties that produce ideas, not only those "that grow into the masses," to quote Lenin.

We believe we belong to the former category. Our Central Committee consists of only 21 members, half of them Muscovites. We have a collective leadership. The Party Council meets on a weekly basis.

Corr.: Does your party have a social base?

M.A.: We are supported by the patriotic-minded intelligentsia—unfortunately, this is a fairly small portion of our society. We aim to win back our intelligentsia. The intelligentsia shapes public opinion, and if it is opposed to the state, society is doomed. This took place in Russia in 1917 and the Soviet Union in 1991. God forbid that this should take place in the Russian Federation. But the intelligentsia is the most impressionable member of our society and may be susceptible to fashion in Politics. i.e., to a lopsided perception of democratic ideas. The democrats who are now in power have become our opponents because they seek to usurp all democratic ideas and create the image of themselves as the sole promoters of democracy. But the current government does not enjoy wide political support. It is responsible for a decline in living standards—which is bad enough. We must prevent economic ruin and the loss of Russia's independence. Unbalanced concessions are dangerous for the world as they provoke neighbors to make unacceptable claims. A country must pursue its national interests; barring that, partners cannot predict its conduct. In my opinion, the current leadership is short-sighted in allowing republics of equal economic development to erect customs barriers between them and meanwhile open the gates to foreign capital. This is like letting a bull loose in a china shop. Just the opposite is required: protection of domestic business and industry.

Corr.: How would you evaluate the situation in the country today?

M.A.: People can feel in their bones that the road mapped out by the ruling team leads to a disaster, a civil war, and they are watching the developments. In fact, even the power structures themselves seem to be sitting on the fence. At the same time, the former Soviet republics are becoming increasingly aware of the need for a united army, border and financial system. In spite of all the talking, no one has introduced republican currency. But why? Because it's not just a matter of issuing new paper; payment settlement is what matters, i.e., lits, [word indistinct] and other "national" currency must retrieve a common denominator. This reality forces the powers-that-be to adjust their course. We feel that the president and his team must not be allowed to trample underfoot the country's fundamental law. Under the constitution, only the Congress of People's Deputies, not the Supreme Soviet, can decide on the dissolution of, or secession from, the Union. One can secede from the Union by law, but not dissolve it. We recognize the right of republics who wish to leave the Union, but we insist that territories within those republics wishing to remain a part of Russia be granted that right. The first step toward the resolution of all disputes may be the convocation of a parliamentary assembly of all the former Soviet republics.

Rutskoy Article on 'Way Out' of Crisis

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[Article by Aleksandr Rutskoy, vice president of the Russian Federation under "Society" rubric: "Is There a Way Out of the Crisis?"]

[Text] The very grave crisis in which Russia finds itself has all aspects of our life in its grip. It has most sharply affected the plight of the overwhelming majority of the population who worked for decades for the good of the country but did not amass for themselves even a small reserve to soften the blows of the "shock therapy" which began with the liberalization of prices. The leap in prices, particularly for food and prime necessities, has disheartened everyone including the young reformers who several months ago headed the management of the reform and who are its architects. Because in just a few days this price rise passed with unparalleled ease the three-fold ceiling which the government tried to set. And overnight impoverished the Russian people.

I

Just the first month in which the market operated in conditions of astronomical prices was enough for many, including the parliament and the president of Russia, to see for themselves the need for major adjustments to the government's policy and actions, adjustments designed to lower the growing social tension. (Even though I and many others said back in October-November that this should not be allowed). Both the "great" theoretician of Marxism-Leninism and the "great" macroeconomist convinced the president that it is necessary to begin with utter chaos—liberalization.

But what should the starting point be? Where should we begin so as to prevent the final disintegration of the country and the replacement of a civilized market by a mafia state ruling the poor? In my opinion, we should begin with a state of economic emergency and a comprehensive plan of transformations—please do not confuse this with centralized planning.

The adjustments should be verified and effective, capable of rapidly changing the situation for the better. This can be achieved on one essential condition: the correct assessment of the situation and a precise definition of where the mistake was made. At the present state that mistake is first and foremost the attempt to make the Russian reform fit the framework of a single model, one with a very weak foundation even theoretically, which does not take into account the real state of affairs in the country and the depth of the economic crisis.

When setting about resolving the task of the adjustments we are well aware of the difficulties awaiting us on this path. After all, much of what has now happened was predicted by scientists, specialists, and our native entrepreneurs. The Polish example clearly demonstrated a lot. However, in our country it is not customary to admit the existence of "prophets in their own land." It is that lamentable fact which is the main difficulty in accurately choosing the aforementioned adjustments. So before answering the question of what kind of adjustments there should be, let us cite the assessment of events made by the quite authoritative organ of British business circles, the FINANCIAL TIMES, which believes that when they elaborate measures to transfer the economy to market relationships our reformers are permanently in the grip of various mythologies. Put in simple language, this means that the emphasis is not on the real economic phenomena taking place in our life and in our country but on certain mythical models with whose help everything is supposed to be transformed.

"First," the paper writes, "they mythologized the significance of prices: Market—that is, free—prices will lead to the market, that is, to abundance; increased prices will make commodity production more profitable—shortages will vanish. But they overlooked one thing: You cannot OBTAIN MARKET PRICES IN THE ABSENCE OF A MARKET."

Melvin Feydzhen [name as transliterated], former director of the UN Economic Commission for Europe, in an article in the INTERNATIONAL HERALD TRIBUNE, provides the following assessment:

"The 'shock therapy' Boris Yeltsin has applied to Russia is obviously going to lead to economic anarchy, which will

destroy the burgeoning democracy throughout the territory of the former Soviet Union.

"Yet the Russian president is standing his ground, following the advice of foreign consultants and certain greenhorn economists in his entourage who apparently got their knowledge of the market economy from textbooks written by people like Milton Friedman.

"...In fact, prices are not being liberalized, they are being driven skyhigh. The price levels are being determined by the very people whom Mr. Yeltsin himself called 'mafioso-type' middlemen. They are preventing goods from reaching the official markets so that they can get rich on the shortages.

"In theory, the purpose of the price increases was to reward producers for increasing the production and supplies of goods, but the distribution system has been unable to increase supplies to the market at accessible prices.

"Mr. Yeltsin ought to know that this system of distribution is commandeered by speculators. This much was demonstrated by the failure of Mikhail Gorbachev's attempt last April to increase commodity availability by raising prices.

"Rule number one for a government managing an economy sensibly is to maintain a stable correlation between prices and incomes and prevent the sudden impoverishment of the population. This correlation should only be changed within very narrow limits. That is why responsible governments avoid uncontrolled inflation.

"The sharp price increases have totally undermined the ruble...

"...Now it is necessary to use the government's power to introduce lower prices for essential products, while at the same time eliminating the 'black market' bosses who are currently in command of distribution...

"...Mr. Yeltsin must now realize that he could find himself powerless in the face of a storm of disobedience."

In fact, neither at the start nor during the initial efforts in the new restructuring of the economy in 1987-1991 did either the governments' academic advisers or their leaders recognize (or want to recognize) the specific features of the transition from a centrally planned command system to a regulated market system. To be more accurate, a regulated transition to a market economy, not a spontaneous, random, arbitrary transition.

Any system is fundamentally unbalanced in a transitional period, and its transition to a balanced state without rigorous control, in the hope of "self-regulation" and "self-organization," is bound to be spontaneous, with all the negative economic and social consequences that entails.

The deliberate destruction of the former organizational and managerial structures, while obviously necessary, was nonetheless not accompanied by the creation of viable new structures capable of having at least some effective influence on the economy. A dangerous situation of anarchy was created in the economy as a result. Its typical features are the war of laws and sovereignties, the collapse of economic (intrasectoral, intersectoral, and interrepublic) links, the usurpation of property belonging to the whole people in the guise of "concerns" set up by former state apparatus workers for their own salvation or enrichment, illegal acts by local soviets on the sale of enterprises, arbitrary pricing, and so on. Add to that the uncontrolled growth of the number of middleman structures, exchanges, and commercial banks, which is just what the economic situation does not need. Money has started to work for money, not for goods; it has simply ceased to be a factor for stimulating production development, that is, middleman capital has eased out production capital. You also have the lack of cash and a state owing 14 billion rubles [R] in unpaid pensions, grants, and pay. While our "glorious" government, as always, is making inarticulate noises instead of saying practical words, or is delivering another lecture to the Supreme Soviet. And all this is taking place against the background of a mounting inflation which threatens to become hyperinflation in no time at all. One example: Of the 63 Russian blast furnaces, between 15 and 25 periodically come to a halt. And how many plants and factories do the same? An eloquent result of our economists' actions...

II

The aforementioned facts indicate that the essence of the process of transition to a market economy has changed fundamentally. Now it is necessary to bring about a transition to the market not from a centralized planning system, under which at least we were able to live, but from a situation of the anarchical disintegration of the entire economy. The transition to a new status without real control of the national economy—except through the macroeconomic regulation propagandized by Ye. Gaydar, which means in practice a total absence of control—could be the start of a new phase of the crisis in society. The use of unformed market mechanisms in that situation could lead to our very quickly having a market economy in crisis instead of an ineffective planned economy.

It should be noted that none of the programs for the stabilization of the economy and transition to the market proposed so far, including L. Abalkin's (presidential) program, adopted by the USSR Supreme Soviet, and S. Shatalin's and G. Yavlinskiy's "500 Days," has paid due attention to this fact. What is needed now in order to effect the transition to the market is in many ways newly constructed programs.

The present reformers, headed Ye. Gaydar, evidently also failed to see this (or did not want to see it) and proposed what was a cosmetic rehash of the "500 Days" program (it also envisaged price liberalization, but consistent liberalization, via privatization and other economic reforms), with the Polish version of "shock therapy" added to it. It is no accident that Professor J. Sachs of Harvard University (United States)—chief "shock therapist" at the clinic on Old Square [former CPSU Central Committee headquarters, now occupied by Russian Government offices], where, according to G. Burbulis, all the operations to treat our ailing economy are being carried out—is among our government's advisers. The initial course of "treatment" was unsuccessful for the reason given by the aforementioned British paper.

The liberalization of prices without the existence of a civilized market requires rigid price control. Furthermore, this rigid control exists in all the civilized countries in conditions of a developed market. The essence of price control consists in controlling **price formation** with the violation of its rules entailing the strictest economic sanctions imposed by the control organs on the enterprise as a whole and on the entrepreneur.

The result of uncontrolled price liberalization was described recently by St. Petersburg Mayor Sobchak when he asked sovkhoz directors why a liter of milk costs R10 from them and a kilo of sour cream over R100. It turns out that their cost price includes the cost of building apartments blocks and even a House of Culture plus overheads of 600 percent! The same goes for industrial enterprises, too.

In Russia as a whole (in the various regions) meat prices have risen to R90-350 per kilogram, sausage prices to between R55 and R300, and butter prices to between R60 and R200 per kilogram.

The situation regarding medicines is becoming complex. It is possible that the prices of 150-200 of the 3,000 types of medicines will remain regulated. Other types of medicines will be 14-15 times more expensive, while in drugstores (for the population) they are likely to be 20-25 times more expensive than in 1991.

Admittedly, some sociological studies and surveys whose results are eagerly made available by a number of press organs and by television indicate that, allegedly, 45 percent of the population supports the Russian Government's actions to arrange enemas for the Russian people. In this connection it would be interesting to ask where these surveys are carried out: In the trading rooms of the exchanges, among the fat, prosperous dealers; or at industrial enterprises, where the cost of dinner has leapt to nearly R20?

Such a turn of events would be unexpected as far as the authors of the market mythology are concerned, and would be a major problem, if not a disaster, for the majority of the population.

There has to be very close and regular monitoring of monopoly enterprises and any monopoly structure at all that is entitled to fix prices, including contract prices—that is, we must reconstruct the state's pricing policy and establish some basic order in the prices sphere, since what is passed off as price liberalization is in practice administrative increases, without any visible ceiling moreover. I believe that for them to obtain a closer acquaintance with the realities of today's prices, which are reducing people to a state of poverty, it might be useful if the Russian president were to switch at least some of the members of the shock therapy government to a salary of R342, instead of paying them 12-15 times more than that. I believe that being at the R342 level along with the vast majority of the population would have a beneficial effect on the government's economic imagination and enable it, in the event of its physical survival, truly to call itself a government enjoying the people's confidence.

III

There has been much just criticism of the new tax system. The fundamental mistake made by the government and the Supreme Soviet was to establish the **same taxation normative for all enterprises.** It is patently absurd for a factory, for example, that is working in market fashion without cranking up prices to have the same tax burden as an enterprise which is cranking up prices and obtaining an extortionate profit without doing a thing to expand production, improve product quality, or improve labor productivity. This decision reveals a **failure to understand the role of the state** in regulating market relationships, particularly in the period of the transition to the market in the specific situation that exists in our country. But then, different situations require different economic regulators.

In order to understand the market, it must be borne in mind that in any market (capital, labor, consumer goods, services, and so on) only three typical situations can arise, depending on the correlation between supply and demand.

1. Demand exceeds supply (shortage situation). The particular thing about this situation is that you have **competition among the consumers** (purchasers) and an absence of competition among the producers (sellers) of goods. This competition makes it possible to keep on raising prices practically all the time and thus obtain profits a part of which **does not have** an economic (labor) origin. This situation is the most advantageous from the viewpoint of management conditions for all producers of a given commodity. It is also advantageous for trade middlemen, because it gives them the opportunity to speculate. That is why they resort to creating an artificial shortage even when enough of the commodity is being produced. They could be easily dealt with by establishing a tax level of 70-80 percent and penalties of 100 times the original amount [v stokratnom razmere].

2. Supply exceeds demand (overproduction of goods situation). This situation is characterized by **competition among producers** (sellers) and the absence of competition

among consumers. Producers for whom the unit cost of production (prime cost) is higher than the market price face the possibility of ruin.

3. Equal supply and demand (balance situation). The balance consists in the fact that the demand in this case is equal to the public need for the commodity and the supply of the commodity in terms of range, quality, and quantity meets the aforementioned need, and the market price of the commodity is accessible to all who need it.

This situation is characterized by the fact that **there is neither competition among sellers nor competition among buyers**, all goods can be sold, and all profits obtained by sellers (producers) have an economic (labor) origin, and speculation is absent.

From the three market situations that have been examined it is easy to draw the following conclusions.

First, price competition among commodity producers arises only in conditions of overproduction. From the viewpoint of society's interests and common sense in general, overproduction is a waste of material and labor resources, which is not justified.

Second, the most desirable situation of equal supply and demand cannot be ensured by the competition mechanism, but in conditions of a free market and the producer's complete autonomy such a market situation is accidental, episodic, and therefore is constantly being disturbed in one direction or the other.

Third, the overproduction situation, in which there is the possibility of a producer's being ruined, leads to the capture of the market by the stronger entrepreneurs, that is, to a producer's monopoly of production and pricing. This creates favorable management conditions for monopolists and unfavorable ones for consumers. The monopoly as it were "switches off" the free competition mechanism, and this mechanism can only be reactivated by demonopoliziation, implemented by the state through the introduction of antimonopoly legislation and price control. But there is no sign of demonopolization in our case, although there is an antimonopoly committee with a well-paid staff.

As you can see, the free market plays a dual role. On the one hand it is the form and method of exchange of commodity for money. money for commodity, and commodity for commodity. On the other hand the market sums up the commodity producers' economic activity, assesses production profitability, and, on that basis, forces decisions on opening, expanding, closing, converting, or modernizing production.

In an unregulated market, from the state's viewpoint the competition mechanism acts as a regulator, aptly dubbed an "invisible hand" by A. Smith, which, we would note, stands ABOVE THE PARTICIPANTS IN THE RELATIONSHIPS. This regulator can, without any state participation, ensure the transition from a state of deficit to a state of balance and to a state of overproduction—admittedly, over an unknown timescale and with unknown economic and social costs. The history of market development in the developed countries shows that a deficit-ridden market results in high prices and speculation, which consumers will not tolerate—especially in respect of prime necessities, as we can particularly understand.

A balanced position is a happenstance or an episode and will continually tend to move into a situation either of deficit or overproduction. A market of overproduction is liable to ruination, loss of profit or property, and unemployment. Moreover, it may result in a useless waste of material resources and labor spent on producing goods surplus to requirements.

The global crisis of the thirties required state intervention in the arbitrary action of the "invisible hand" in order to maintain equilibrium by economic measures (taxes, credit policy, subsidies, and other measures of a budgetary nature).

The state's fiscal function (tax collecting) is of great but NOT PRIMARY IMPORTANCE. A state's primary function in a deficit situation is to provide tax concessions to those expanding the production of scarce goods, while in a balanced situation the state should ensure competition by setting quotas for the production of goods by a single enterprise in order to avoid any monopoly. If this is impossible it should control the monopoly's prices and prevent overproduction by compensating the enterprise for not making full use of its capacity (for instance, giving farmers bonuses for reducing the sowing of crops that have become loss-making).

But, while talking about production, we must not forget about the spiritual sphere. A huge number of artists, musicians, and writers may be simply "stifled" by the current tax system. There are already plenty of examples in our history of many famous cultural figures leaving the country for political reasons. A rapid exodus may now begin as a result of their economic living conditions being unbearable. Many countries will welcome them with open arms, since they value culture. But our government continues to be guided by the "nobody is indispensable" formula and closes its eyes to the arbitrary taxation of the spiritual sphere. It is time we realized that some people are indispensable, and it is they who bring and will continue to bring glory to their fatherland.

So just why are the doctors and candidates of economic sciences who are running the state and constantly stressing their professionalism setting identical taxes for everyone when the market is in acute deficit—in other words, acting UNPROFESSIONALLY?

IV

The most important area of the state's activity in conditions of a scarce market is the fight against speculation which, in recent years, has grown to intolerable levels. It is now primarily the sphere of activity not of individual crooks but of a structure organized into a large economic force based on the corrupt apparatus of state trade, the state apparatus, and commercial associations. This "shadow" force is capable of "creating" a scarcity in virtually any commodity in any part of the country and causing social tension which any political force can use for its own ends. B. Yeltsin adopted a correct decision to close down the trade organizations of various sizes but immediately the mafia trade organizations are rapidly replaced by mafia associations, that is, the sign board has changed but the essence remains the same—as they used to mock people so they will go on mocking them, without doubt.

We must recognize that to a large extent today it is not the state which manages economic processes but these shadow structures which increasingly are surfacing and penetrating the upper echelons of power in Russia.

According to official figures, 150,000 economic crimes (approximately 10-15 percent of the total number of recorded crimes) were brought to light in just the first six months of 1991. The damage done to the state by speculation runs to approximately R11 billion. According to experts, up to 65 percent of the humanitarian aid reaching our country from aborad in 1991 was purloined and sold through commercial stores and stalls at fabulous prices. Checks into 14 commercial stores in Moscow carried out by the Administration for the Struggle Against Embezzlement of Socialist Property and Speculation showed that many goods had been obtained through the state trading system and were being resold for prices 10-15 times in excess of state prices. And this situation is being aided by the inactivity and lack of control shown by the apparatus headed by Vice Premier A. Shokhin, who has permitted the commercialization of humanitarian aid and has deprived people of the opportunity to obtain at first hand the foodstuffs arriving from the West. It is more than strange that Minister E. Pamfilova, who is supposed to protect the interests of workers and the unfortunate and who won prestige for her hard line on the privileges of villainous party apparatchiks, is now keeping quiet and only occasionally issuing a sorrowful statement along the lines of "What can you do? You have to be patient."

One often encounters instances of state stores engaging in chain selling among themselves in order to crank up prices and obtain additional percentage increases on the initial cost at every stage of the chain.

All around the world such operations are called speculation or unscrupulous trading, and are strictly punished. But in our country they are described as "business" and sanctioned by the law—that is, by the state.

But the most important thing is that the present state organs are surely the main speculators. They have almost always "exploited" the difference between domestic and world prices. Acquiring consumer goods abroad, they asked incredible prices for them in the domestic market, on the one hand getting rich that way and on the other creating for domestic producers of these goods unrealistic and useless economic management conditions because this import did not serve as a competing commodity as it was sold at prices beyond the majority of customers.

At present the policy of the state's "exploitation" of the difference in prices in the domestic and world markets has changed sharply. The state has begun to "share" its income from such speculation with commercial structures. For example, it sells a license to some organization for the sale of oil abroad on condition that the seller trades 40 percent of his foreign currency revenue to the republic reserve bank at a rate of $1 to R55 and a further 10 percent at $1 for R110.

But here is what actually happens. A firm recently sold 300,000 tonnes of oil abroad under license for $126 per tonne, having bought the oil on an exchange for R1,800 per tonne (that is, essentially at $13 per tonne). If the state had sold the oil independently, it would have earned around $38 million dollars. But, by selling the license, it bought $15.2 million from the seller of the oil for R836.6 million and $3.8 million for R418 million. For each tonne of oil exported the seller made a net profit of $63 ($18.9 million in total) and R4,160 (R1,248 million). No foreign businessman could even dream of such an income from commercial operations (68 percent of the contract price). The same is happening with coal, timber, metal, and so forth: It is clear from the transactions that those who extract and produce the resources earn nothing but sadness. This is Russian native wit, but it is more than a pity that it is not benefiting the fatherland in this situation.

And there are hundreds of examples like this. Only one thing can be expected of the current government—squandering and stealing on a massive scale throughout Russia—just as only one thing was to be expected of the previous government, which specialized in the collpase of the economic structures of the totalitarian past and commercial ventures along the lines of the "'Harvest-90' checks."

These examples show that the mythologization of the market is a very artificial thing for the state, but very advantageous for the nouveaux riches. And the most galling thing is that those extracting the oil are living, if readers will forgive me for saying so, like cattle in sheds, without food or medicines.

Naturally, all the activity of commercial structures in our country, having now been freed from state organs' control, should be studied and made civilized, while speculation under the guise of business should be curtailed by changing the relevant laws.

V

Another myth, which holds that the market cannot be created if there is no private property (or, rather, if there is no pluralism or diversity of forms of property) should also be examined and assessed. This idea is being drummed into the people by academics, journalists, and economic managers—both foreign and homegrown. But does the form of ownership have anything to do with the market? I am convinced that it does not. We must not turn private property into a dogma. After all, nobody has ever encountered a case whereby, when a trade is being done in the marketplace, the buyer asked the owner of the goods (producer or seller) where they were made—in a socialist or capitalist factory. Everyone asks the brand, touches the goods to check their quality, and judges their style and the acceptability of the price. Just as nobody asks the customers where they got their money from.

The question of ownership comes to the fore when the need arises to think about the actual profitability of producing a given item at a specific enterprise. In this case we need to decide: a) how to distribute the profit between the owner of the enterprise and his hired workers, and b) what to do in the future about the production of the item in question. (Improve quality? Cut costs? Expand production? Stop production?)

Naturally, when deciding these questions the owners of the property have the greatest weight, while the hired workers—if these decisions concern them (pay cuts, deteriorating working conditions, or personnel cuts resulting in redundancies)—come into conflict with the owner, striving for justice with all the means available to them. Participants in conflict resolution are the trade unions (on the side of the hired workers), unions of entrepreneurs, and state organs (acting as arbitrator). That is why the trenchant slogan "Earn, Don't Divide," which is being instilled into the working people, is an economic absurdity, since earnings are always divided up by people into savings and consumption, and in the social sense this was an appeal to working people not to "stick their noses into" the profits distribution process.

As for private property, I want to say unambiguously that we will not implement any reforms unless we provide people with private property, develop and provide credit for private production, liberalize foreign-currency exchange [obmennyy valyutnyy] operations for the private sector, remove the thousands of restrictions on it, and shape in people a feeling of being proprietors in the best sense of the word. People who own property will also feel responsible for themselves and for the country. We need to create all the conditions to ensure that all Russians can augment their property in a legal way. And the leaders in private property should rightly be workers, peasants, engineers, and doctors rather than militiamen who have "earned" their money in who knows what way.

In order to create a market, shape market relationships, and bring competition mechanisms "on line" we need to give enterprises (organizations) full economic independence (autonomy), rule out any direct interference in their activities by any organs of state administration—including local soviets—and establish the complete responsibility of enterprises and their collectives for the results of their activity, without even ruling out bankruptcy.

In this case the right to freely deal with an enterprise's property and income channeled into developing production would amount to the formation of a capital market, the right to freely deal in the output produced would mean the formation of a market in goods, and the right to hire and fire a work force would amount to the formation of a labor market.

On the whole this would amount to the **denationalization and privatization** of enterprises (organizations), the establishment of market relationships between them, irrespective of their form of ownership, and the introduction of a competition mechanism.

What was the reason for the myth that the market and market conditions are impossible without private ownership? This myth was necessary for the ideological preparation of those processes which had already happened to ownership before the adoption of the Law on the Privatization of State and Municipal Enterprises (expropriation and uncontrolled sell-off) and is happening now when the law already exists but attempts are being made to transform its provisions into something unrecognizable and, most importantly, to exclude working people as much as possible from the processes of the "redistribution" of property.

For this purpose the main idea that the term "all the people's [obshchenarodnyy] means nobody's" was launched... This idea proved exceptionally "effective."

In the constitutions of the USSR and the union republics adopted before the war the main form of ownership is state ownership (of all the people). The identification of the concepts "state" and "of all the people" was based on the statute on the character of the state of all the people as the mouthpiece of the interests of all the people.

At a certain stage in the development of society, working people and the organs of direct people's representation (soviets at all levels) lost power outright and this power actually passed into the hands of the party and state apparatus (including departments). They began running the property of all the people without control and without bearing any economic responsibility for the results of their managerial actions. Now the "democrats" have mounted the same steed but have more skillfully begun to plunder and destroy the people's assets.

However, this deformation in the management of property has not de jure abolished its ownership by all the people because no state organ has been empowered with ownership of property. Therefore it is not the property which has lost its popular character by being allegedly turned into "nobody's" property but the representative of the people—the state—which has ceased to express the essence of all the people. But the land, its contents, implements, and the means of production still belong to all the people "from the small to the great" as heirs to the results of the activity of preceding and present generations.

VI

The real events taking place around property graphically show that the new executive authorities are also dealing with property as they see fit and are doing so probably worse than the command system did. Moreover, the new system, having declared state property to belong to all the people, has in fact artificially created yet another type of property for sale to working people—property which allegedly does not belong to them.

In actual fact, under the procedure laid down by law, citizens of Russia can only buy those items of publicly owned property which have not been divided up into equal shares in property accounts (shares, privatization checks, and so forth), whereby citizens stake claims to more property compared with others. Foreign citizens can only be sold property for hard currency, not rubles.

Currently the government is making two blatant mistakes in the privatization program.

The first is to sell off enterprises on the basis of the residual book value of their property. This is to confuse two things: the **value of the operating enterprise** which is producing output and profits, and the value of the individual components of the property. Here is a graphic example. A motor transport enterprise with 200 "Kamaz" trucks, workshops, and other infrastructure buildings was sold in St. Petersburg for a residual book value of R1.2 million, whereas the enterprise's annual profit was R16 million. Who will pocket the difference—the people? I very much doubt it.

In 1992 the Russian Goskomimushchestvo [expansion unknown] intends to sell at residual value property (enterprises, actually) worth R92 billion—that is, to let the people's assets go for a pittance. Moreover, by valuing and selling this property in rubles and using the earnings to "plug" holes in the budget, after only six months the government—given today's inflation—will see, first, that it has earned not R92 billion but 10 times less. Second, by using the money for the consumption fund rather than for investment, it is "eating away" at our fixed assets and "accelerating" inflation. If our "shock therapists" are not stopped in time, by next year the country may be left not only without money but without trousers.

The second mistake is the lack of independent banking control over operations involving publicly owned property. A federal property fund has still not been set up, nor has a banking control system which would be administered by supervisory boards (boards of trustees) elected (ratified) by the Supreme Soviet.

Naturally, these mistakes should be corrected, since when we get around to privatizing major enterprises using the same method, the outcome will be the same: The people will be deprived of property that belongs to them. It is absolutely clear who will get it.

At the same time, experts rightly believe that both property and enterprises should be valued in hard currency and sold to Russians for rubles at the current rate accepted in international transactions, and to foreigners—forgive me—for hard currency only.

In the absence of markets for personal property, real estate, shares, and securities, sales of this kind of property should be carried out at prices approximating to world market prices. This valuation method is possible, and the methodology could be set up at short notice. We need only be willing to implement privatization in the interests of creating an efficient, economic market system in the interests of the people, without the government shortchanging them, as has become traditional. To this end we need to implement the following fundamental points:

the mandatory submission to the privatization commission by each enterprise collective of a privatization option worked out and approved by an independent commission set up by the collective;

the implementation of privatization in forms which guarantee the new (private or associated) owner's interest in the long-term accumulation of investment for production purposes (this should be indicated in the protocol of intent, which will have the force of law);

ensuring the strict economic responsibility of entrepreneurs and managers for the results of economic activity and the appropriate level of skills among enterprise workers;

ensuring adequate durability and stability in enterprises' functioning during a period of economic stabilization, disruption to the money supply, and the existence of an undeveloped financial and credit system and market infrastructure;

the mandatory revision of all enterprise privatization acts implemented prior to the adoption of the privatization program, irrespective of which administrative organ gave permission for these acts.

It would be fundamentally mistaken to make replenishing state and municipal coffers the main aim of denationalization and privatization with a view to eliminating state or local budget deficits. The main aim should be to create the most favorable initial conditions for economic entities when transferring to market relationships, to establish an additional stock of primitive accumulation funds (investment and credit funds), and to develop their business activities aimed at the quantitative and qualitative competitive production of goods and foodstuffs, medicines, furniture, machinery, agricultural equipment, processing equipment for agricultural produce, and so forth, giving definite priority to the development of an enterprise culture in the production sphere.

In connection with privatization, I should like to draw attention to the problem of the gradual sectoral approach to it [otraslevaya etapnost]. There is nothing wrong in beginning it with the sectors of trade, consumer services, enterprises in the construction industry, construction, agricultural produce processing, and agriculture. After all, the state ownership of many of these enterprises and their centralized management were absurd from the outset. Their privatization as a priority is not a subject for debate.

But this privatization does not affect the base sectors of production, where the fate of the economy as a whole is decided, and the economy's inclusion in the world economic community as an equal, competing partner occupying a quite definite niche in the market in the sale of science-intensive and high-technology output.

Unable to privatize these sectors quickly, the government is in principle deferring not only the question of the inclusion of those sectors in market relationships but also the question of the **structural restructuring of the economy.**

It seems that the complete destatization of the base sectors and the granting to them of full economic autonomy initially on the basis of the "leasing" of enterprises (leasing not only to labor collectives but also to entrepreneurs) are urgent matters. This problem is directly linked to the implementation of such complex measures as the demonopolization and diversification of production, the conversion of the military-industrial complex, investment policy, foreign economic ties, and much else.

Very many discussions are being conducted on these problems, but there have been virtually no clearly conceived, targeted, practical steps. Just look at the situation in the sphere of scientific and technical progress and the use of the accumulated intellectual potential existing in the country, the achievements of fundamental and applied science, and the quite urgent problems that have accumulated here whose solution is nevertheless being deferred "until better times." No one knows when that will be, and thus it is not difficult to understand that neither our government nor the Russian Supreme Soviet have a well-considered and concrete program for the formation of a modern market economy based on scientific and technical progress.

It is bad enough that scientific research institutes are disintegrating and that a "brain drain" out of the country is in progress. The reason lies not just in what I have already said but also in the fact that the government of experimenters have impoverished scientific thought. Have any of our rulers thought how long it will take to revive science? Given the importance and urgency of the transformation of the sphere of exchange and distribution and of the fate of Russia's economy, its revival is being decided in the sphere of production, science, education, and the human factor. By postponing the solution of these problems "until later," the government deserves just one title—that of "temporizers" who have forgotten why they came to power.

But to consign the solution of those problems to the market alone and to presume that it will automatically lead us to the desired result is like Gogol's well-known supervisor of charitable institutions whose method of treating the sick amounted to the postulate: "If they die, they die. If they recover, they recover."

VII

Now we have the political program of Russian Federation President B. Yeltsin in the sphere of the radical reform of the economy approved by the Congress of People's Deputies and supported by the majority of the population. I have no disagreements with the president on this matter. I support his program. We ran for election together promising the people transformations in the economy, too.

But I do not see that the government team headed by G. Burbulis, Ye. Gaydar, and A. Shokhin actually has a clear program for the implementation of the basic guidelines of the radical reform proclaimed by the president. This leading group intends to resolve all the economic problems of the transformation of the economy solely at the macro level by dealing with highly generalized cost-price categories. In vain did Ye. Gaydar complain to a PARIS MATCH correspondent in January this year that he "now has to resolve such tasks as, for example, the unloading of grain in the ports of northern and southern Russia."

I could mention other questions which the vice premier should not be handling. For example, the creation of various types of concerns, joint-stock companies, holding companies, and other associations based on former Union ministries and main administrations. Some amazing "problems" are being resolved in government resolutions of that kind: first, it is noted that they are being amalgamated into this or that enterprise "at the request," of course, of the labor collectives; second, they are being given some premises in Moscow (the buildings of former Union ministries) for the management apparatus; and third, benefits are being given for medical services for the leadership at government level on contractual principles (registration at special polyclinics).

These resolutions do not even establish the value of the property that is being amalgamated or of the range and volume of the production of output. No one knows what any particular monster amalgamation will give the domestic and foreign market and so forth. On all the questions addressed in the government resolutions its decisions are essentially not required because the fact of the creation of an association on legal grounds is registered by the corresponding organ, premises must be leased from Moscow City Soviet, but the health of individuals must be treated on contractual principles not through a point in the government resolution but directly at the polyclinic providing the treatment on contractual principles.

Here are some more examples. Resolution 87-r of 16 January 1992 signed by Ye. Gaydar on the sale of precious raw materials to the Soviet-Israeli joint venture "Sovizdzhen." Instruction 103-r of 5 December 1991 which grants a monopoly right to the "Almazyuvelireksport" All-Union Association to export and sell metals in the platinum group. But this is supposed to be done by the Russian Bank for Foreign Economic Activity, not the vice premier.

All the government's efforts, it seems to me, amount to balancing the state budget at an all-Russian level and taking it out of deficit. It is hard to believe that this intention will succeed. The Russian Supreme Soviet did not believe in it and did not approve the draft budget, allowing only the expenditure section to be fulfilled, because a budget balanced at an all-Russian level does not mean that the budgets of krays, oblasts, and other subjects of the Federation are balanced, too.

Furthermore, budget balance with a decline in production means a narrowing of its actual material base and the preservation of the deficit situation in the consumer market. Only a magician can maintain budget equilibrium in such conditions.

The Russian Government knows such a magician. He is J. Sachs who, in London's The ECONOMIST, apparently "described" our government's program and his own "directives" on this score to the IMF, the World Bank, and governments of Europe, America, Saudi Arabia, and Japan on the allocation to Russia and other former republics of $30 billion in 1992.

How does Sachs think those billions should be used?

The IMF, he claims, will not be able to grant loans to the republics until they become members of this fund, and therefore it should rely on Western governments. That is why it is urgently necessary to accept Russia and the Ukraine as IMF members, and the other republics gradually thereafter. In that event the CIS [Commonwealth of Independent States] members should be given the following amounts: from the IMF—$5 billion, the International Bank [as published]—$4 billion, the European Bank for Reconstruction and Development—$3 billion, the West European governments—$10 billion, the United States and Japan—$3 billion each—and Saudi Arabia and South Korea together—$2 billion. In addition, the West should give a further $1 billion for technical assistance not financed by the IMF and the World Bank.

Some $15 billion-$20 billion of that figure should be sent to Russia, $10 billion-$15 billion to the other CIS members. Russia should channel its share—$5 billion—into the stabilization fund so as to fix ruble convertibility at a level of R50 to the dollar (Ye. Gaydar dreams of R18-R20 to the dollar), $6 billion should be used for the general support of the balance of payments in international settlements, and a further $6 billion for food aid.

It is surprising that the idea did not occur to Sachs of turning the IMF and the World Bank plus two or three major banks from the United States, Japan, and the European countries into subsidiaries of the Russian Central Bank with the full right to dispose of their resources to achieve the aims set by Sachs and the Burbulis-Gaydar team.

Sachs proposed an original way of distributing food aid. He is opposed to the idea that it be delivered, unloaded, and protected by our armed forces.

"If," he writes, "the aim of the aid is to feed the poor, there is a simpler, market-oriented path: Republic governments should simply sell commodities to wholesalers and transfer the revenue from this to the poor strata of the population. After all, it is considerably easier distributing money than food."

That is precisely what A. Shokhin did when he took Sachs' advice and removed the Russian vice president's specially created commission from the distribution of aid. But Sachs and Shokhin forgot to teach our poor people how to eat banknotes instead of foodstuffs because when the latter entered the commercial trade network they became not only inaccessible to the poor but also sources for traders to make fabulous profits out of the desperate plight of the poor. And not only the poor. It is hard to imagine a more blasphemous way of using food aid.

On the whole, Sachs' program is a macroabstractionists' program. It is the worst form of utopianism based on "optimistic suppositions" which have no firm foundation and do not take into account the real situation in Russia and its regions. In the process, Sachs warns that unless we accept these utopias we will be punished. And our new team on Old Square is trying to realize these utopias.

An extraordinarily "original" tandem has come about: Gaydar thanks S. Shatalin for instilling in the members of his team a "proximity to our Western colleagues," while Sachs for his part praises Gaydar, whom "Western economists (which ones?—A.R.) consider one of Russia's most able macroeconomists" and who, with his group, prepared an "exhaustive package of measures on the lines of the radical reforms now being carried out in the countries of East Europe." A mutual admiration society, as they say...

But among Western authorities in the economic sphere there are some widely recognized in the world who have demonstrated their high professionalism both in theory and in practice. Such professionals include, for example, J. Galbraith, F. Roosevelt's associate in the reform of the U.S. economy in the thirties, who also gave advice to our reformers during the perestroyka years. But the position of this scientist and practical expert has for some reason not been publicized but played down.

His advice was both professional and interesting. The most interesting advice, in my opinion, was given in the conversation with F. Burlatskiy (in February 1990) and was as follows:

"...take a balanced approach to recommendations from Western countries and the United States... Such recommendations are often given by people whose blind adherence to the ideology of free enterprise and whose conviction that the state must not play any role in the economy could be disastrous even for us if we listen to it."

However, our "pluralists" prefer to listen only to ideas that are "dear to their hearts" and dismiss other people's ideas as attempts to amass "populist capital" and acquire "short-term political gain," as Gaydar asserts. They have in mind the Russian vice president, who acts this way for a single reason: I well remember what Boris Nikolayevich and I said and promised the voters in the election campaign. If some have forgotten when forming under G. Burbulis' leadership the team called the government, I well recall that neither Yeltsin nor Rutskoy promised to transform the state into a beggar or the people into paupers.

VIII

To get out of the crisis, it is necessary, it seems to me, to correctly assess the prevailing situation, determine its main ailment, and find a radical method of treatment. It is necessary to explain that the main "ailment" is the total scarcity of food, medicines, and other prime necessities. Our foreign partners, particularly the "G-7" countries, have understood this and correctly assessed the possible consequences of the scarcity: a social explosion which could sweep away any power, democratic or totalitarian. The help which the governments and peoples of foreign countries are giving and intend to give us deserves the highest assessment. However, you get the impression that our government for its part is prepared to receive "charity" for as long as it can and does not understand that no one in the world will be able to feed Russia and especially all the states of the CIS. Our own efforts are needed here. Furthermore, the aid of $30 billion a year (over 5 years that will be $150 billion) will have to be repaid one day.

Together with the 70 billion debt which already exists, the total debt by 1995 plus interest will be over $200 billion, which is equivalent to the value of almost 2 billion tonnes of oil if we settle up with those countries in oil exports at the current world price.

If you take just the interest payment on these credits, that will require $24 billion a year (or 240 million tonnes of oil), which our economy can scarcely tolerate. This will simply mean Russia's integration into the world community in such a way that it will never escape the role of a raw-materials producing appendage. Is such a prospect acceptable to the peoples of Russia? It will be left to our grandchildren to pay and pay again for the present insane debts.

Thus, the nub of the situation is this: The scarcity of prime necessities cannot be overcome from our production, goods can only be obtained abroad but we do not have foreign currency and large credits are fraught with unpleasant consequences and anyway it is highly problematical whether we will get them.

In such a situation it is necessary to seek a solution in **currency-free trade** [bezvalyutnaya torgovlya] with any foreign goods producer or owner of the goods in short supply. This must not be barter (as a rule that is non-equivalent exchange). It must be trade by foreign goods producers and the owners of commodities on our territory with payments in rubles both for the sale of foreign goods and the purchase of our goods for export for rubles.

The following paradox in the policy of our perestroyka governments was noted by a trade representative of the "Soyuztransuorld" international corporation in Moscow:

"I cannot understand," he said, "why your government wants to make the ruble convertible but for some reason never changes dollars for rubles under any circumstances. Buildings, property, equipment, even airline tickets and theater tickets—everything in your country is sold to foreign firms exclusively for hard currency. And then you are surprised when no one needs the ruble! If your enterprises were to begin trading with Western entrepreneurs for rubles, the latter, particularly those who have already penetrated the Russian market, would begin selling their goods—consumer goods and so forth—to you for rubles. It is as easy as two plus two."

But in our country they will prove to anyone that two plus two makes five! The foreign businessman's comment is not a revelation. Scientists at the G.V. Plekhanov Russian Economic Academy explained the need to trade in rubles in their memorandum to former USSR President M.S. Gorbachev when discussing the programs of L. Abalkin and S. Shatalin-G. Yavlinskiy at the USSR Supreme Soviet.

Russian President B. Yeltsin in his program also advocated such a measure. At a recent session of the Russian Supreme Soviet the speeches of a number of deputies again stressed the need for trade in ruble currency. Specific proposals on urgent measures to supply the consumer market with prime necessities from their own resources and the utilization of the trade in these goods for rubles by foreign commodity producers and commodity owners for sale to the population at generally accessible prices have been prepared by specialists, and it would be expedient to issue a president's decree on this question.

IX

This crisis cannot be overcome without developing business activity primarily in Russia's agro-industrial complex. The relationships which exist today between the producers of agricultural produce, agricultural service enterprises, and suppliers of agricultural machinery and state procurement organizations are bound to cause grave alarm. Suffice it to say that out of the 1991 Russian harvest only 23 percent of the grain, 30 percent of the potatoes, and around 80 percent of the livestock produce were sold to the state to count toward the the state reserve. Some 7 million hectares of grain crops went unharvested.

That is the situation not only in Russia but also in all the CIS states. They sold less than 27.0 million, tonnes of food grain, that is, 97 kg per capita against a norm of 166 kg. Private farming is developing poorly. Goodness knows how the R1 billion allocated to farmers for the development of farms have been spent.

A new wave of euphoria is now gripping government functionaries. The deal of the century, no less! They are going to fill all Russia with 25 million tonnes of Canadian wheat! Why are you rejoicing, good people? At new debts running into billions? At making investments in the farms of a rich foreign country? We will soon eat these tonnes of grain or perhaps we will let them rot in ships' holds and in the silos. Then what? Beg for another scrap of bread next year? Judging by the way that we are preparing for the sowing work it is already threatening to make beggars of us next year as well.

Is it not better to pay our peasants in hard currency for grain—they do have grain. Furthermore, I am sure that our undemanding peasant will sell grain at about half the price of the Canadian farmer. And with the difference we could buy industrial goods, machines for the fields, mechanisms, and technology for the sectors processing agricultural produce.

An illegal privatization of the agro-industrial complex is in progress, and one which is not changing economic relationships in the countryside. For example, in Rostov, Voronezh, and Volgograd oblasts and Krasnodar and Stavropol krays joint-stock companies have been created. In them the entire regional agro-industrial complex has been turned into a single legal entity where all primary producers of output, rural construction organizations, and the whole agricultural service sector have been amalgamated under a single roof in conditions where the leadership of the joint-stock company still dictates terms to any participant in the relationship and is a rayon-level monopolist and, for certain types of produce, an oblast-level monopolist.

It is easier for agricultural producers themselves to create at grass-roots level the cooperative associations and coordination councils on shared principles that they need in terms of conditions of economic management, for which it makes sense to give kolkhoz members, sovkhoz workers, and private farmers privatization checks to acquire shares in the ownership of service organizations of the former agricultural equipment, agricultural chemicals, and agricultural construction committees. These organizations have at least 500-600 trade bases and stores, 300-400 industrial enterprises, over 800 installation administrations, more than 4,000 repair plants and general and special purpose workshops, several hundred vehicle servicing stations, and an impressive fleet of tractors, trucks, and construction equipment. All agricultural producers, including private farmers, can and must become real owners of these enterprises and property on terms of equal access, including the hire of soil-tilling and transport facilities.

It is time to establish order in the use of land for all who want to engage in agricultural production by taking from present loss-making farms lands and estates which they cannot operate without bringing in labor from outside and ensuring average productivity for the region in question; and it would be good to create from these lands and estates republic and local land stocks for transfer to migrants and servicemen transferred into the reserve and sale to enterprises and urban residents. This must be done rigorously by strenuous enforcement so as to deny crooks, bureaucrats, and bribe-takers a sinecure.

At the same time agricultural producers must be given the right to sell their output independently to the direct consumers (the population and processing enterprises), and the state must set tax concessions and the economic and credit-financial conditions ensuring the avenues that the state needs for the sale of output, including by the acquisition by producers of any goods in short supply. There must be a decisive breakthrough in relationships between agricultural producers and agricultural machine building enterprises. There must be a complete audit of agricultural activity and technical policy of those enterprises and of their price policy, and they must be put in a competitive environment by the organization in Russia of the sale of competing imported agricultural machinery and implements.

X

Complex and contradictory problems have arisen in connection with the elimination of monopolism in industry and with the conversion of military-industrial complex enterprises. Proposals on the solution of these problems are contradictory, many are unprofessional and strongly ideologized, and suffer simply from excessive sloganizing and border on irresponsibility.

Let us examine professionally the question of monopolies and monopolism, having freed ourselves first of all from propagandist cliches and having grasped the fundamental difference between the emergence of monopolies in our country and in the developed Western countries. In Western countries monopolies stemmed from the free market and free competition and included enterprises which were previously autonomous.

Monopolies in our country, however, were created in a planned way under a special scheme and were justified from the viewpoint of specialization, concentration, and centralization. In conditions of the administrative-edict system of management, distribution, and pricing, this was the most appropriate form of production organization. Many of our reformist economists now specializing in the strident criticism of such monopolistic practices, equally stridently justified its need in less distant times. They include our own Ye. Gaydar. But our monopolies cannot simply be "inserted" into the market because they reject it in principle not through someone's whim but because it is very difficult to split them apart.

Do not be fooled into thinking that you only have to adopt Western-style antimonopoly laws and that will sort things out. This is the most profound illusion. It would be useful to send the "brightest" ideological demonopolizers to the ZIL truck plant, the No. 1 State Bearing Plant, and aircraft assembly enterprises, for example, to prepare **schemes** for their demonopolization. They would soon see for themselves that it is possible to painlessly set up autonomous subsidiaries of ZIL in neighboring oblasts so long as supplies of castings and components to that plant are maintained. What about demonopolizing the ZIL assembly line—the heart of the whole monopolistic structure? It is even more difficult to do that at aircraft assembly plants, the No. 1 State Bearing Plant, and others. Breaking these monopolies down into pieces is not the only form of demonopolization.

The following question arises: What do we hope to get from demonopolizing such giants? Let us open up our automobile market like, for example, in the United States, where 36 percent of vehicles sold are foreign made and then our monopolist will be in a competitive environment and its monopoly will end. In addition, can the state not establish control over monopoly output prices? Of course it can if it wants to.

The military-industrial complex is coming under special attack and, in the opinion of the "RF-politika" Independent Research Center, its "political representative" is A. Rutskoy, who has become "one of the political bulwarks of the present shadow economy and administrative corruption." Unfortunately, the newspaper did not name these researchers, but whoever they are, these people, I believe, are not very honest politicians. My answer to such attacks is as follows:

First, Russia and the CIS must maintain the level of defense capability necessary and sufficient to ensure their security, as any sovereign state would do. I am not sure, for example, that the United States after the recent summit meeting at Camp David will renounce its military doctrine or its concern to improve its armed forces.

Second, the existing potential of the military-industrial complex in accordance with the doctrine of national security must constantly support scientific research and design, technological, and experimental groundwork as well as the production of new military hardware and the renewal of existing hardware and the existence of a hardware reserve.

Third, Russia must trade in weapons within the framework of the existing international rules of the weapons trade.

In all these respects we must not make any concessions to anyone apart from those envisaged by international agreements on disarmament and arms limitation.

Why, for instance, can we not sell 200 MIG-29 aircraft? After all our fighter is now one of the most prestigious combat aircraft; that is a universally recognized fact. And if we were to receive such an order, worth $5 billion, it would be very good business. And I am convinced the Americans would not refuse such a deal.

Our press frequently mentions the fact that in the arms trade the former USSR had 29 percent of the total volume of sales on the world market. Yet the remainder was not sold by God descended from the heavens but by real producers, including the chief one—the United States. And only our rivals' lobbyists can push Russia toward a unilateral reduction of the arms trade.

I stress in particular that the crux of the transformation of the military-industrial complex is not in that direction. The most modern equipment is concentrated at the complex' enterprises and scientific research institutions, it has developed modern manufacturing methods, and the best scientist, specialist, and worker cadres work there. This is the chief potential for scientific and technical progress in Russia and it is a very great pity that people are trying to see all this as some force hostile to society. Evidently someone needs to do this.

Here is what we say. It is difficult to understand people who argue with a scientific expression on their face about their intentions to "join" the civilized world within an acceptable deadline and to take an equal place in the world market on the basis of competitiveness and yet do everything to destroy the scientific and technical potential created in Russia. Moreover, it is after all the enterprises of the military-industrial complex which produce a substantial proportion of Soviet consumer durables and could increase their production by reducing arms production.

And it is important that the government prevent the uncontrolled conversion of military-industrial enterprises without regulation from the center in any circumstances and that in the very near future it elaborate, with the participation of the military-industrial complex enterprises themselves, a conversion program, having attentively studied our industry's experience of conversion after the end of World War II, when it was implemented in two to three years. For matters to proceed more rapidly it is expedient first of all to group enterprises according to conditions of conversion (production and technical, resource, cadres, and other conditions) and to determine which of them will completely cease the production of individual types of arms and combat equipment and which will reduce this production after modernization and transfer to the production of civilian output, at the same time determining where experimental production and military production for our army and for export are to be preserved.

By carrying out a special study of the outstanding technical and technological achievements of the enterprises and scientific research institutes—achievements unknown in world practice or on a par with the developed countries' achievements—we must select those which we can put into production rapidly and emerge onto the world market with new output. We must create for these enterprises and scientific research institutes joined into consortiums and joint-stock companies a preferential regime of commercial credit and taxation, exempting them from all taxes for the period of the development and assimilation of new output, emergence onto the world market, and consolidation on that market as monopolists, leaving at the enterprises' disposal 75 percent of the profit in hard currency. It is also expedient to adopt for the period 1992-1995 for enterprises of the military-industrial complex (on a differentiated basis) measures to diversify production where it is undesirable or impossible to to break down a production facility into smaller units and to establish tough control when there is monopoly production. And tax benefits should be granted to commercial banks which finance conversion. Then what we have will be conversion and not the collapse of an industry, which is to be observed now in the macroeconomic regulation and badmouthing of the military-industrial complex.

XI

The first weeks of the radical reforms showed that, like previous governments, this government was completely unprepared for measures for the social protection of the population, particularly the most vulnerable strata (children, young students, invalids, pensioners, refugees, former career servicemen from the armed forces) and small nations as well as of the social sphere and its workers who are financed from the public purse. All questions of this type received no more than idle chatter, petty promises, and miserly subsidies which cannot actually get you anything (not when a child's jacket costs around R1,000).

At the government session 23 January, Russian President B. Yeltsin stated that the government does not have a well considered system for the social protection of the population. This is indeed so, but I am not surprised at that. For several years in our country the population was "prepared" for the market and the main theme of this preparation was the idea strenuously drilled into people that unemployment is a blessing, that it will make us work well. Everything was planned to "resolve" it except the creation of new jobs. The hope here was that some of the unemployed would be absorbed by foreign countries (official talks were held with representatives of foreign countries on this score); true, what will they do with their own unemployed? As for the highly skilled workers, technicians, engineers, physicists, and mathematicians, they are already being fixed up. What and whom will Russia have left?

What about the other promises: That various nonstate support funds will be organized (on voluntary principles), that all it takes to support children is to stage a couple of "telethons" a day and give the donations to the Children's Fund (were members of the government benefactors, too?) They thought they could use that method to help the Afghan war invalids and organize free meals for the old, too. And this is all they deserve, those young men sent off by previous leaders (in the presence of those who ruled in the past and who rule now) and the old people who conquered fascism, and the children of our unknown future. At the moment everyone has been deprived of prime necessities: milk, butter, cottage cheese, sour cream, and high quality bread. Some in recognition of their services to the state, others lest they develop normally.

Thus, certain academics, writers, journalists, and deputies to Union and republic parliaments have played a **shameful role** in depicting a considerable proportion of the population and many working people as **the object of the patronage** of patrons at home and abroad. Representatives of the Ministry of Labor and Employment are now talking with unaccustomed nonchalance about the possible emergence of 8 million unemployed by the fall, without really knowing what lies behind it. Kind Minister E. Pamfilova and "Esteemed" A. Shokhin, these are people with families and children, and if you have not yet tried to grasp the realities of the terrible position they may be finding themselves in, then you should think about it, you people with "academic" degrees. Moreover, hardly anyone can have any doubt that the state will now find a way to maintain this army of unemployed. But this is not the main thing. Working people do not need **charity** from whatever quarter, they need **work.**

Under our conditions of transition to the market, unemployment is acquiring a number of characteristic features: First, it will affect "intellectuals" (it is primarily superfluous engineering and technical personnel and employees who are being fired), then it will affect women (women are prime candidates for dismissal), finally it will affect young people (the greatest difficulties in finding work, owing to their education and skills, will be experienced by young people entering the workplace for the first time after graduating from school, vocational and technical colleges, technical colleges, higher educational institutions, or coming from the ranks of the Army). And the Army is being cut by 700,000 men (who also have families)—they too need to live and work.

Unfortunately, the Russian Ministry of Labor and Employment does not currently have any system of job-placement measures for any of these population groups.

Naturally, unemployment and vacancies will be unequally distributed throughout Russia. Balancing them by means of interterritorial migration is complicated by a shortage of housing and by poor migrational mobility. So the problems of employment and unemployment in all their complexity are objectively becoming **local**—that is, with limited room for maneuver by dint of the features of the development of demographic, economic, and special factors specific to each territory. At present not a single local organ of power is ready for this development.

Consequently, we need to fundamentally change our approach to the resolution of the problems of providing social protection for the population under the conditions of market formation. Moreover, if we are talking about being humane, these protection measures should have been planned before today's haphazard reforms, if only because there are real people involved—people who trusted their elected representatives. This trust is valuable and should not be betrayed. And this change should consist, first, of the state and its local organs having no right to reassign to anybody else the task of providing social protection for the population. They should view all kinds of outside patronage in this work as being profoundly **subsidiary.** Second, they should proceed on the basis of the natural fact that the creation of the **minimum guaranteed** conditions for the reproduction of the population is the starting point for their social policy, and that everything else should be secondary. Otherwise we will never understand why society needs the economy. Especially at a time when the birth rate in Russia is falling catastrophically while mortality is rising in similar proportions. Has nobody thought about this?

In conditions of the current crisis the state really does not have either sufficient material resources or other means to resolve the whole range of problems of the population's social protection. Thus the limited potential should be focused on protecting the most vulnerable strata of the population by ensuring them a guaranteed minimum of aid in kind rather than issuing instructions to provide humanitarian help through commercial structures, thus enabling the mafia to get rich while the needy just get nickels and dimes. Such strata include pregnant women and children from underprivileged families, invalids and nonworking pensioners on the minimum pension, and some students living on grants.

Subsequently it is necessary for the whole period of transition to market relations to establish the kind of system for all enterprises and organizations whereby, regardless of forms of ownership, they must all keep 3 percent of their total jobs vacant and notify the labor exchanges of these spare jobs. This job reserve is to be used to find employment for young people entering the labor market for the first time.

XII

This examination, which is a far from complete list of the problems, demonstrates that everything necessary to resolve them **by reasonable methods** already exists.

Meanwhile, it must not be overlooked that the overwhelming majority of our failures in reforming the economy are connected with the **general crisis of power** or more accurately the lack of power, the phenomena of anarchy in which freedom is reduced to insensitivity and democracy to insanity. Even the ancients knew that no leader at all is worse than any power.

The nonfulfillment of adopted laws, the burgeoning of local legislation, and the transformation of laws during that kind of "creativity" which is nothing less than the worst kind of "administrative guerrilla warfare" into something unrecognizable completely paralyzes the newborn economic mechanism.

The demand to establish elementary order and observe the rule of law has become the demand of all the people. Clearly, the time has come when **it is necessary to declare a state of economic emergency on the territory of Russia** at least for 1 year so that the Supreme Soviet and the renewed government of Russia can implement a system of emergency measures to carry out the economic transformations. Anyone who hinders the implementation of these transformations must be removed from power. And in addition they must be made to bear full responsibility for this. Mocking the people cannot be tolerated any longer.

I think that an idea expressed in an article in the NEW YORK TIMES in December 1991 will be of some interest. "Western companies," the newspaper writes, "regard the territories of the former Soviet Union as unpredictable places which do not have reliable laws but at the same time as a good place where they can make a fortune with the help of enterprises which are skimming the cream off a ruined economy."

Once more I should like to remind our leaders of a single simple truth: "The real politician changes not his views but reality, and invariably for the better."

Postscript. So that the government may understand this article, I would ask the president once more to fix a salary of R342 for each person [in the government].

Khasbulatov Responds to People's Questions

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["How Are We Going To Live?" live phone-in in which Russian Supreme Soviet chairman Ruslan Imranovich Khasbulatov replies to questions read by program announcer I.Yu. Lapina]

[Text] [Lapina] Greetings, we are live on the air. The telephone number to call the "How Are We Going To Live?" program is 217-45-63. Make a note or remember the number you can call to ask your questions: 217-45-63.

Today they will be answered by Ruslan Imranovich Khasbulatov, chairman of the Supreme Soviet of Russia, our parliament which, as you know, has so drastically intervened in the progress of the economic reform. We have increasingly linked the reforms with the executive power, with the activity of the government. And now the legislative power has particularly and distinctly made itself felt.

Ruslan Imranovich, while we are waiting for the first questions to arrive—the typists are already taking them down—let us touch on the following problem. It has often been said and noted even in our broadcasts that an economy which develops by economic laws alone and without political interference is truly blessed. Are the amendments which have been introduced to the government's actions connected with lack of trust, with doubt in the model of economic reform which they have proposed or are they sharply linked with the political situation in which we find ourselves?

[Khasbulatov] You know, right at the start when you gave a sort of resume you drew a whole range of mistaken conclusions which very often seem attractive; and when there is not a complete understanding of the essence of this process they seem to have a solid basis.

In the first place, the reform should not at all be connected only with the government. That is nonsense. All these reforms were initiated by the Congress of Peoples' Deputies and the Russian parliament which was headed by Boris Nikolayevich Yeltsin. And the first legislative acts directly connected with reforming our economic system were drawn up by the structural subdivisions of the Supreme Soviet and not of the government. I am saying this very briefly so that everyone should know that the reforms should be more linked with the Russian parliament than with the government.

And now about the issue that the parliament has intervened drastically in the progress of the economic reforms. No, not drastically. I would like to remind you that back in December when, immediately after the Congress, we naturally requested the government to act rapidly to prepare legislative acts, you remember how they were moved through. Almost every day we adopted two or three laws proposed by the government. You know how difficult it was to move them through—it was very difficult. And it was really very difficult for the Chairman to convince the members of the Supreme Soviet that they should be adopted.

But now you journalists have forgotten how and in what way the deputies had to be persuaded: yes, perhaps these laws are not very good, but time will tell, we shall amend them, we shall put some things right. It was with these conditions that we adopted these bills. Now a sufficient length of time has passed and we can see that, indeed, there are certain deviations, and, of course, I consider that it would simply be senseless on parliament's part—or this would not be a parliament at all—if we did not intervene and did not try to amend a particular line or a particular course pursued by the government in this sphere.

Because it must be understood and everyone should understand that those who are primarily responsible to our people are the parliament and the president. Governments come and go. New people come—these are things for the president and parliament to tackle. But the basis of our existing order, the order which we are more or less managing to maintain rests on two institutions of power—the power of the president and parliament.

[Lapina] Ruslan Imranovich, I have chosen the following question for you from the stockpile of notes that has been brought to me. Ruslan Imranovich, has the reform been prepared legislatively? In other words, does the government have at its disposal a full package of laws for its successful implementation? Do you have it currently? This question is asked by Kadentsev from Moscow. What is obviously at issue here is the degree to which the government is free to act and to act in its chosen direction, the very tough direction it has chosen, this must be put bluntly. Is the government stumbling over some legislative hazards? Has the actual economic reform been prepared legislatively?

[Khasbulatov] First and foremost I would like to answer esteemed Kadentsev by saying that there are absolutely no obstacles in the sphere of parliamentary legislative activity. Both publicly and in my private conversations with individual members of government we have said many times: give us your draft proposals. We will hold appropriate discussion very quickly and adopt them in the way you want. There are currently absolutely no obstacles for parliament. Therefore none of our citizens should think that parliament has embarked on the path of extremely radical, very interesting and very promising economic reforms [as heard].

On the contrary, what we are working for is that the functions performed by the government become much more clearcut, including the functions relating to the broadening of the legislative and judicial field for the implementation of these reforms. So for our part, there are no hazards. It is a different matter that sometimes we can see - and we are not the only ones, since our parliament, government and our citizens can also see this - that not everything works out the way it should work out, in our view.

And, incidentally, I do not see any particular offenses, as it were, being committed here on the part of the executive power. We simply expected that there would be certain deviations, and certain negative things would come up; on the other hand, one should not be obstinate and timely amendments would have to be made. If the government does not do it by itself, then it is parliament's duty to do so.

[Lapina] Thank you. A question from A. Shikereyev from Groznyy. Will the Russian Government's taxation policy be changed because the current one is stifling business ?

[Khasbulatov] Well, much is being said about this; you are aware that we reached an agreement with the government and on certain types of products, mainly those connected with the processing of foodstuffs, public catering, hospitals, and canteens, we have made some thorough changes. So, I think this will ease somewhat, in the social sense, the situation of our people. And, therefore, the claims of some people, including certain deputies, that this is a retreat from the deepening of reforms are quite simply incorrect. Rather I would say that these judgments are founded on complete economic illiteracy. Well, as far as taxes on our enterprises—not only in the private sector, various joint-stock companies, but state enterprises, too—are concerned, to be frank, I believe that these taxes are excessive. But since the government has put it to parliament that it would not be the right thing just now—albeit temporarily—to broach the question of the whole taxation system, or that we are expecting any immediate results, on the whole we are not trying, it is not our aim, to subject this whole taxation system to revision. But, personally, it seems to me that the government should propose to parliament that it introduce sensible amendments to the taxation system.

[Lapina] Thank you. And here is a strongly worded message. Unfortunately, questions in our program are not parliamentary and one can hear swear-words used but I hope we will have fewer of them today since we have the head of the parliament in our studio.

So the question is as follows, from Samsonov from Moscow: Shows which were organized by the Supreme Soviet regarding the adoption of laws amused everybody enough. But so far no major laws have been passed. And nearly in every program you have the following: why do they make profit on state goods in commercial shops? Where are laws against thieves? Everything has been looted. Give them a rap over the knuckles—it will make things easier.

Ruslan Imranovich, at the moment it is really not so much the prices in the shops which annoy people most but the resale of goods bought from state enterprises and people are not naive and they understand that it is done for a bribe and what does the law say about this? And on the whole, in what way is the fulfillment of laws and decrees by the president monitored in our country?

[Khasbulatov] It is not monitored. That is the problem. This is one of the reasons why the parliament, as you said at the beginning, has taken a rather tough course and intends to intensify control over government activities. It is not monitored in any way. There are dozens of cases when not only parliamentary laws, laws by the Supreme Soviet, are not fulfilled but also decrees by the president are not fulfilled. By the government formed by the president himself.

And in this, incidentally, I would like to draw your attention to the inactivity of internal affairs bodies throughout the country. We have raised these questions many times. You cannot work like this. Then the merging of two different ministries was undertaken. But strictly speaking, what has it given us? It has paralyzed the activities of both institutions. And now everybody is waiting for something. We have raised this question many times in parliament in order to implement proper control indeed. You are absolutely right. And the author of this message is absolutely right that we should put an end to this. But we are the parliament, can you understand?

We are now criticised already for the fact that we have taken upon ourselves some management functions and so on and so forth. I think that in future we will take upon ourselves more management functions if the members of the government treat these responsibilities in the same way.

[Lapina] Thank you. A question from Dushko from Moscow oblast: I am very much concerned with the issue of the officers' corps who serve on the territory of Russia. The regulations became obsolete a long time ago. We serve because of our enthusiasm. This question is quite topical at present.

[Khasbulatov] Yes, this question is very complex, and frankly speaking, from a moral point of view we find it very difficult. We understand how difficult is the position of our soldiers and our officers who serve on the territory of various states which formerly used to be republics and which have declared our servicemen to be almost their property while trying to nationalize them as if they were some sort of a factory or works or some other public catering enterprise. It seems that treaties on the setting up of the Commonwealth of Independent States do exist, and certain agreements on this subject have been signed by its members.

What can I say? We, both the Russian parliament and I know Boris Nikolayevich are very concerned about the future of our servicemen. Generally we are, of course, undertaking some sort of measures while striving to reach agreement with other states. We are striving to ensure more or less normal conditions for the officers who are returning to the RSFSR's territory. Anyway, we are working on this question.

Unfortunately, I cannot comfort you in any other way than by saying this: our esteemed servicemen, you must know that you are the sore spot in our heart. Every day we, the Russian parliament, will try and undertake many efforts to improve your conditions. You know that the budget situation is very difficult. But while cutting our general defense spending, not only have we kept the same level of spending on personnel but we have even increased it. In other words, we have changed proportions of our allocations in the budget. We have very seriously reduced spending on the purchase of arms and ammunition, military equipment, and so on, but we have considerably increased the amount of the military budget to be spent on personnel maintenance. But that is not enough. We will seek additional resources so as to give our servicemen a greater sense of confidence than in recent times.

[Lapina] Thank you. The next topic has come up here several times, and I think your explanation will be very valuable. Many people think that what we have had so far is not deregulation, but simply an increase by a large factor. That is how the question goes, generally speaking.

Ruskornyan says: Free prices are nonsense without privatization first. It would have been better to do it the other way round: privatize first, then lift price controls. I do not know whether or not you agree with that author's opinion and what is now impeding the widest possible privatization, political or economic reasons, or maybe simply certain psychological aspects, or something else.

[Khasbulatov] Frankly, I do not want somehow to place all the blame on the government, or to criticize it, just now, but the author's assessment is, strictly speaking, my own long-held opinion. I want to remind some of our viewers that the problems of prices and of price-setting have been raised repeatedly in our social and political journalism, at least since 1986. And, of course, the reform of price-setting should not have been isolated from privatization, in other words, because with such an approach it is, somehow, rather hard to call it a reform. You can call it a single, individual element of this reform, while the most difficult part, the actual economy as it used to be, the state monopoly, is still left, of course. For that reason, we have attempted in parliament—and I know that Boris Nikolayevich has emphatically urged the government to accelerate the process of privatization.

I think, all the same, we shall continue to attempt to pursue such a comprehensive, complex approach to implementing the reform. In that event, of course, we would not have what I feel is this unnecessary, unpredictable and unplanned process of price increases.

[Lapina] Thank you, here is a question from Yevgeniy Petrovich Plotnikov from Simferopol. Crimea is preparing for a refendum. Will Russia obstruct this measure?

[Khasbulatov] Why should we obstruct it if preparations are underway for a referendum? In our country, on the territory of Russia, referenda are held even at the level of rural soviets, rayon soviets in our rural regions, in our oblast and kray territories, you may recall. So why should we try to obstruct this? It is up to the inhabitants.

[Lapina] Irina Shcherbakova from Moscow asks whether it is proposed to provide legislative support for enterprises providing alternatives to state ones, including by granting credits on favorable terms.

[Khasbulatov] Of course, right from the start, a year and a half ago, when Boris Nikolayevich was head of the Supreme Soviet, we adopted a course of providing fundamental support for parallel economic structures, for the non-state sector, in other words. Thus, last year there were fundamental benefits. We managed to achieve something. At the same time we tried to support the state sector, too. The state sector makes up almost 90 percent of our economy. But this year it is considerably more complicated. Indeed, the excessive tax pressure is leading to the disruption and breaking of economic links both between state enterprises and, of course, is fundamentally slowing down the development of these parallel, non-state structures.

The interest rate on credit is very high and naturally all of this makes it difficult for business activity, particularly for small enterprises. And if there are no small businesses then there will be no...

[Lapina, interrupting] These are fundamental.

[Khasbulatov] These are fundamental for the market economy. For what is a market economy? It is hundreds of thousands, millions of small businesses, in the first instance, whose activities are oriented toward satisfying people's requirements. Eighty percent of small and medium-sized businesses are directed to satisfying people's needs in any free-market country, large or small. In our country, at present, of course, the process of setting up small businesses has been sharply slowed down as a direct result of our government's policy. And it is this which is striking a blow at our reforms and not parliamentary decisions.

That is the essence of the matter which unfortunately people are not understanding very well. What is parliament striving to do? To cut through these knots which hinder the development of market relations. But some some members of the government see only one task and in implementing this task they destroy the very basis of the development of the mixed economy, itself, the development of market relations.

[Lapina] And now we are followed up by a question from Makarov in Volgograd Oblast. Our mistake is not that prices have gone up, but that the peasant who has climbed to the 12th floor of a high-rise block of apartments is now not going to work on the land. The land question needs to be tackled, and tackled not theoretically but in practice.

[Khasbulatov] What he says is quite right. That is how we are tackling it. There have been explanations both by the president and the chairman of the Supreme Soviet. We are not at all trying to tackle the problem from atop our ivory towers. And I think that now a correct approach has begun to show in this matter. By the way, this was also discussed—you know that recently the Congress of Russian Smallholders ended here and, incidentally, the smallholders did not came out against collective farms, against state farms.

They say: Well, good, you give us lands, give us tractors, give us seeds. How can I buy this tractor if it already costs 500,000 rubles, if even a large collective farm is unable to buy this tractor. So that I believe that he is quite right.

[Lapina] Here is a note which is as frank as it could be, Ruslan Imranovich. Vedernikov: I do not understand a lot of what is happening. But it was explained to me that there will be capitalism. Capital is being accumulated by hook or by crook. That is how it has been in all countries.

If things are like that, then why hide anything? As it is, for over 70 years we have not been speaking the truth but were lying. Well, we will not guess who explained things to the author of this note.

There is something. Ruslan Imranovich, something is probably interesting here. We are now clearly at a critical moment. And, in principle the historical experience of the now developed countries—it really is there and exists. In this context, from one point of view, it must probably also be more difficult to suffer their childhood diseases already at our ripe age.

[Khasbulatov] Yes, of course.

[Lapina] But, on the other hand, it is probably easier, there already is some experience—this experience can be used. Perhaps, looking from this point of view, we can try to reply to the author.

[Khasbulatov] We are seeking to use this experience. I think there is very interesting experience. There was once a well-known economist. You know, he was a German. For several years he was also head of the government of the Federal German Republic. He was from a well-known school. Ludwig Erhard. Professor Erhard. He developed the concept of the social market economy, leaving out mention of capitalism, socialism or other isms. For some reason I think that these ideas of Erhard's would be very congenial to us. What are they about? That in practice production is geared to the individual, to social goals.

Of course what we are talking about is a purely capitalist path of development. But we can certainly use our experience, too. After all, one must not throw away everything that derives from socialist practice. For instance, that same capitalism very successfully adopted our system of planning.

Of course, it is very difficult for us to implement it without some kind of planning. What does planning mean? It means making a forecast, at least. A forecast is probably necessary; it is something elementary. It can be for just one year or two, to state what our most important goals are, what we need now, what our people need. Therefore, in my opinion, it is wrong to get particularly carried away by the terms capitalism and socialism. All the same, they are our invention.

Even in academic literature in those same Western countries, generally speaking, they have long since stopped using the words capitalism and socialism. They talk about countries with a command economy or countries with a market economy, even in reference books. Therefore, speaking about a market economy, some elements of that unrestrained capitalism which has existed in developing countries can now be observed here as well; and of course, all these processes need to be regulated, if you like, and managed.

Of course, we also have to use our experience in making plans for development. What will happen if we do not have planning too? Look at the big firms. Why have they become big? Because they have made forecasts and plans. This is nothing to laugh at, for it is quite a serious matter. The economy is too serious a matter not to plan it or to forecast economic and social processes. So, of course, it is no accident that such questions are being asked. But some of our hack theoreticians have rejected all that. They say we do not need any forecasts, plans or programs, and we should just work any old way. Of course, that's no way to do it.

[Lapina] Now we are back to conflicts. Here is a question from Kravtsov of St.Petersburg: Is there a conflict between parliament and the government? That is it, put briefly, because you want to answer that he should read the newspapers, don't you?

[Khasbulatov] How many times can you ask one and the same question?

[Lapina] But, Ruslan Imranovich ...

[Khasbulatov] There are no conflicts, you must understand. These things are quite normal. Surely our viewers do not want us to have to raise our hands like goodness knows what whenever the government proposes something. That is the way it was for 73 years. Thus, there are disputes, there is criticism, and mutual criticism. But here the conduct must be gentlemanly. Honorable methods must be employed. I am opposed to any sort of attempt at playing dirty tricks, acting in an underhanded way, or inciting the press against parliament or against the government and so on.

A normal process is going on. In the discussion process some compromise decisions are made. Does anyone really want to push the Russian parliament onto the path trodden by the Union parliament which for two years obediently raised its hands in favor and then ceased to exist? We cannot permit this.

[Lapina] Perhaps one could put the question like this: where does the difference lie between the government's and parliament's approach to economic reform?

[Khasbulatov] The difference is that we demand only expert solutions to all of these questions. But very often we are presented with utterly slipshod draft laws which contradict each other and lack any internal linkage. That is not the way to do things. Let me say frankly, I often have two voices arguing inside me: the politician and the professional economist. And very often it is the economist who wins, to the detriment of the politician, and of myself, too, of course. But I simply cannot... I am indignant when such utterly careless, utterly incorrect and unfounded draf laws are presented. How can one do these things?

[Lapina] Therefore, the following question arises: Why are the laws which are adopted not implemented?

[Khasbulatov] We want them to be implemented; we demand it and we shall monitor the government. After all, who should ensure the implementation of the law if not the government? Or is parliament to introduce its own apparatus, or its own government? Of course, people are right to ask the question because in our practice there has never been such a division of powers—the institution of the presidency, independent government, an independent legislature, the power of the courts. None of these existed.

The great Frenchman Montesquieu put forward his idea of the separation of powers. Of course, that was a very great historical achievement. At present we are gradually trying to implement this practice. But many people do not understand when, say, the leader of parliament ... I must criticize as it is my duty to criticize; if I do not criticize you may recall one person whom I do not wish to name who did not criticize. It will never happen that I shall stop criticizing.

The only person whom I consider that one should not criticize is our president. Not only because I really have gone through too much with him over the past year and a half and not because our strategic views really coincide but because I consider that in present conditions to criticize the president is to weaken our state power in general. I have already said to you that today the real political forces which the people trusts are two institutions, the president and parliament. Therefore, I consider it my moral duty to protect the president, including from his own government.

Therefore, I want to define my own position. I draw an absolutely clear distinction between the president and government. Absolutely clear. Especially since in reality it is impossible for the president to run such a vast economy when he has to grapple with matters not planned for in advance including, say, the Commonwealth countries, international relations. Of course the President should focus all his efforts on handling the main strategic goals. As far as domestic politics is concerned, then it is of course his closest deputy premiers who are directly involved, his ministers. So our approach is entirely logical: we draw a distinction between President and government.

As for myself, I will stress once again that in my opinion, to me the president is beyond reproach. But then the government should not try to hide behind the president's back. It should bear its full share of responsibility and not tie itself in with the president.

[Lapina] Fine. To continue, there is another question about laws. Are there not among these laws, especially those affecting the socially vulnerable sections, some that have no financial provision? If so, then parliament can in principle be accused of simply creating an illusory world which cannot be paid for.

[Khasbulatov] No, I do not think that is the way it is. We have adopted a whole package of legislative acts which pursue the specific objective of protecting the least well-off sections of the population. Of course, I have to say bluntly that they are not yet functioning effectively enough. Let us be blunt on that score. Take the law on indexation. I can personally accept the initial complaints that it is not functioning fully. Why isn't it? Frankly speaking, we did not plan for the inflationary process turning into hyperinflation, as it is called. Let us be frank about this today. We have already entered a period of hyperinflation, practically uncontrolled inflation, which is in part the result of very ill-considered actions by the economic wing of our government. And in these circumstances, I have to say that all these laws adopted by parliament and geared to the social protection of the population are functioning very poorly. They cannot operate differently.

That is why we are striving nevertheless somehow to alter the course of events and attempting to increase the expenditure section of the budget.

By the way, I do not believe very much that we are going to abolish our budget deficit. It is an illusion. It is impossible. And I do not believe that we need a balanced budget at all costs. It would be better for us somehow to protect sections of society and give entrepreneurs and the state sector in general the opportunity to expand production. It is another matter that we really have to proceed by gradually reducing both our domestic debt and our deficit. Our deficit last year was 300 billion rubles, and if we had set the task of halving it, and if we had managed to achieve this, it would have been a triumph for the government. But when I am told that we can have a deficit-free budget in 1992, you know—these are fairy-tales for children. I should not have to be saying this.

[Lapina] Thank you. We are being accused of being too verbose. Sheveleva from Moscow says: While you sit there and talk about conflicts, the people are already preparing to take to the streets. We could not care less who provides for us—parliament or government. Patience is running out.

Well, those are harsh words. It seems to me that the gist of the reforms is that everyone should look after themselves, and government and parliament must create the conditions necessary for it. Moscow is already restless...

[Khasbulatov] We are striving to create these conditions.

[Lapina, interrupting] Your comment, please.

[Khasbulatov] Well, I wonder what they are offering us? Break off our talks, go out and join the strikers or demonstrators? That seems to be what the lady wants us to do.

[Lapina] She probably wants us to be in the same situation as she is.

[Khasbulatov] On the other hand, of course, you can understand...

[Lapina, interrupting] Her anxiety.

[Khasbulatov] ... her disappointment and anxiety. People do feel that way and we have to realize this of course. It is no joking matter.

[Lapina] Okay. Now an eternal question for you to answer. What is your attitude toward criticism of you by the press? If you would answer that, please, and I think it would be a good idea to broaden the question a little. We used to live under one power. Now, as in any civilized state, we have a legislature, an executive and a judiciary. Abroad they call the press the fourth estate. Do you think that in the future our press will acquire a similar status, and what is your attitude to this process? And also, briefly if possible, a few words about television. How do you view the prospects of two Russian companies coexisting?

[Khasbulatov] Obviously, a free press has an enormous influence on public opinion, it can create an image or on the other hand undermine trust in a politician. I often come under fire in the press, a certain part of the press, which is obviously trying to shake public faith in me. But what particular features of the press do I see?

First, and we might as well be quite blunt and open about this, there is a very significant degree of incompetence among our journalists, a very significant degree. Second, there is blatant subjectivity. Many journalists cannot be bothered with thorough investigation. They rush to set forth their own judgments, and often in a highly improper and offensive way. This, of course, does not enhance the press or do it credit. Incidentally, it is not the thing to do in any Western country for the press to treat parliament, the head of parliament, the president, the government in such a contemptuous way, as happens here—be that country liberal, democratic, conservative, or whatever. Our journalists just do not care. They go ahead and do what they want to do. To be honest, I do not let this get to me. On the contrary, if you have noticed, my policy is to try as best I can to extend the rights of our press. Even when deputies have advocated certain restrictions in this respect, I have still tried to broaden journalists' freedoms. The thing is, we have to think not only of today's journalists and today's press but tomorrow's as well. Also, you know, it is hard to blame the press for this. This is something new, just as parliamentarians and parliamentarism are new. I think that the new press is a fairly complex and new phenomenon.

I think that our democratic press is still young and it has to grow, and I think that in time it will become a really valuable, fourth power, and such a power really is necessary. After all, what is the press? It is a check, it is a means of information for the population, so why should it be necessary to prohibit the providing of such information. But I get criticism, you know, positive criticism, and when I see mistakes I have made—and they do happen—I am reconciled to it, but, of course, it is offensive when, without really knowing what a question is really about, people try to make judgments and lay down the law, along with words of abuse. Well, to hell with them! Let God be their judge!

[Lapina] It is not all criticism! A question... a wish... I wish you—this is from Svetlana Aleksandrova Shevtsova, from Belarus—health and success in your work. There you are!

[Khasbulatov] Thank you, thank you.

[Lapina] Thank you, Ruslan Imranovich, I thank you for taking part in the "How Are We Going To Live?" program. The question which is in the title worries, probably, all of us, and a great many people connect with it a solution, an easing of our life with wise and effective laws, laws which will bring good and justice. Well, let us hope so. Goodbye. All the best.

Gorbachev Interviewed by 'Chief Editors' Club'

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[Interview with former USSR President Mikhail Gorbachev by IZVESTIYA journalist Igor Golembiovskiy; MOSKOVSKIYE NOVOSTI journalist Lyudmila Telen; IZVESTIYA journalist Irina Demchenko; NEZAVISIMAYA GAZETA journalist Sergey Parkhomenko; "Vesti" journalist Slava Flyarkovskiy; ARGUMENTY I FAKTY journalist Nikolay Zelenkov; and ARGUMENTY I FAKTY chief editor Vladislav Starkov—recorded; from the "Chief Editors' Club" program]

[Text] [Golembiovskiy] Mikhail Sergeyevich, we are glad to see you. It is your second visit to the "Chief Editors' Club."

[Gorbachev] Is it working—the club—on the whole?

[Golembiovskiy] From time to time, like everything else in our country.

[Gorbachev] Well, it should be given support, after all.

[Golembiovskiy] This time we have decided to do everything in a different manner and to present young journalists, young politologists, the hope and glory of our press, with an opportunity to meet you. I would like to introduce these people to you: Lyudmila Telen represents the MOSKOVSKIYE NOVOSTI, she is a well-known journalist; Irina Demchenko is from IZVESTIYA; Sergey Parkhomenko is from NEZAVISIMAYA GAZETA; Slava Flyarkovskiy is from the Russian television program, "Vesti," and Nikolay Zelenkov from ARGUMENTY I FAKTY. I represent IZVESTIYA and Vladislav Andreyevich [Starkov, chief editor] represents ARGUMENTY I FAKTY.

[Gorbachev] The editorial department.

[Golembiovskiy] Vladislav Andreyevich and I promise to be as inconspicuous as possible in this conversation. We hope that, mainly, the young journalists will talk with you.

[Gorbachev] It is always like that; when it is difficult even from the point of view of what questions to ask, then the editors step aside and push young people forward.

[Golembiovskiy] Well, we have had a different idea here. People like ourselves are somewhat moving aside—please do not take offense. Place should be given to the young, and this will be the first attempt, so to speak.

[Gorbachev] Gradually.

[Golembiovskiy] Yes, gradually, we will not surrender straight away. So, let us begin. If the esteemed assembly permits, I will ask the first question.

A month has passed since you left the post of president, and a month has passed since the country that you led disappeared. All this month the public and the press, naturally, have been discussing this event, and tried to learn some lessons. I think that it was a fairly, or to be more precise, a very complex period for you, and you were drawing conclusions for yourself. It seems to me that it is very important to know what conclusions you arrived at, since the lessons of history are very important, and if they are neglected society may find itself in a fairly sorry state.

Mikhail Sergeyevich, what do you think were your mistakes during your period of office?

[Gorbachev] I want to confirm my main position and my choice. What we began in 1985 had to be done, and had to be done about 15 to 20 years ago. In other words, the ground had already been slipping from under our feet, and all of us could in fact hear every tremor. So action had to be taken. And you know yourselves how many attempts had been made to start these reforms.

I think that I can say the main mistake was as follows. The first thing was that I thought we could reform the existing political, state, and economic model without even confining ourselves to cosmetic measures, but taking profound measures. But I again came up against the same problem as all previous reformers. Unless we changed the entire system, we could not open the way, could not provide the oxygen, the opportunities for renewal to proceed confidently. I felt that I missed my opportunity when I should definitely have taken up the position of the democratic forces, the new, committed forces. I believe I let this opportunity slip in autumn, in early autumn and winter, in the early autumn of 1990 and the winter of 1991.

Take the Supreme Soviet debate, for instance. This is an objective source, a fait accompli, everything is recorded in minutes, and you can see how the process generally develops there.

[Telen] We worked a great deal in the Supreme Soviet and we know the way the Supreme Soviet was run and which strings were pulled to push through various decisions. Did you, as president, know how the Supreme Soviet was run.

[Gorbachev] First, before embarking upon my role as president, I was in charge of the Supreme Soviet. Therefore, how could I avoid knowing?

[Golembiovskiy] But your pupil surpassed you.

[Gorbachev] Well...much can be said about that. You know, Sergey, I will tell you this: All that was precisely the manifestation of the fact that a skirmish was already in the pipeline. Being placed there, between the powerful opposing public movements which took shape—let us put it bluntly—we had to find such ways as to be able to avoid involving society in confrontation.

[Parkhomenko] Mikhail Sergeyevich, but this is what you say, and then it is enveloped in absolutely concrete silhouettes and in absolutely concrete persons.

[Gorbachev] Yes.

[Parkhomenko] For example, generally speaking, the post of the vice president was invented for Shevardnadze. Is that correct?

[Gorbachev] Yes, it is.

[Parkhomenko] Shevardnadze did what he did. Panic appeared in journalists' circles at that time. We suddenly realised that we did not understand who was there instead of him. And we started tossing up: Nazarbayev—no, Volskiy—no, Revenko and somebody else—nobody fitted and, as far as I know, it did not occur to anybody that it could be this parrot whom you chose at the end. I understand this is your great art. And you must have explained it somehow to yourself.

[Gorbachev] I proceeded from the premise that Yanayev, who came from the trade unions where he had worked for a long time, to a certain extent, if not profoundly, represented the knowledge of this enormous mass, which in any clash will have decisive importance. And his contacts and practical experience and knowledge of trade unions and his connection with this mass of, so to speak, working people would be useful, I thought.

[Golembiovskiy] Mikhail Sergeyevich, but this is a typical party cadre policy, is it not?

[Demchenko] We are talking about the period which you yourself called your main mistake. Do you remember? The end of 1990 and the beginning of 1991, and suddenly you say that this was as if your highest achievement was that you managed to maneuver between these two fields...

[Gorbachev interrupts] Wait, I insist...

[Demchenko interrupts] Was it a mistake or an achievement, Mikhail Sergeyevich?

[Gorbachev] The fact that it was necessary to take the position toward uniting all democrats as soon as possible—I just regard this as my mistake. I have mentioned it before, and I agree with this. The fact is that continuing in this situation, even having assessed the situation in this way, I could see that the people...[changes thought] there was some mood within society—incidentally, I told Boris Nikolayevich Yeltsin about this. He then repeated it from the rostrum and said that he did not agree with this. But I said that I could feel—and I shared it with him—that there were right-wing moods in society and there was intensification of right-wing tendencies and opposition. And one had to be together with these people in order not to lose one's influence. I still think that I should have joined earlier—I should have joined and headed the common front of democratic forces. We, democrats, instead of uniting, let ourselves clarify nuances with each other.

[Flyarkovskiy] Let us imagine: You have taken the firm position of the democratic forces. At that very moment. And you started vigorously to fight for the 500-days program. You did not let Shevardnadze go. You appointed not these people, but others at top posts. Perhaps the result would have been that the conservative right-wing forces—let us call them by this general word—would have become embittered against you even more, and would have taken an uncompromising position toward you. There were many of them and they were strong—you yourself have just confirmed this, and then—excuse me for the lack of tact in my preposition—your resignation would have taken place much earlier, and those who would have arranged it would be not those who did it this time, but those people. I wonder, how would events have developed today?

[Gorbachev] I will say that such a version cannot be excluded. Nevertheless, now, when I evaluate it, I think that when I am talking about myself, I did not want to go to the other side. But this was also necessary for those same democrats; they came out with some slogan. In September, Ryzhkov's government was collapsing, in November the Supreme Soviet was collapsing, and the president had to pick things up. This is all known.

[Unidentified correspondent] In principle, at the moment we are talking about the past, but in order to discover your true face, so to speak...because at that time it was covered by a certain veil. Not everyone understood your moves, your maneuvering...

[Gorbachev interrupts] Do you agree that if they all understood, then everything would be [words indistinct: several people speak at once] and this program would not be taking place.

[Unidentified correspondent] In order to understand your true face, I want to ask this question in that regard. Very often, just now, television shows pictures of Sakharov on the tribunal, and you in the chair. You are constantly interrupting him; the old man wants to babble on, he wants to tell the whole world about the Constitution, about some new things. You interrupt him again. So he did not give you the Constitution which he had written with such care and love. What is your assessment of these pictures? What are your feelings?

[Gorbachev] Well, in the first place, I cannot agree with you on this interpretation of my relations, including when he was on the tribunal, on your impression of this. I must speak openly, so everything is understood, despite the fact that he was inflamed in his relations with me; that I am not what he thinks. So he did not sanctify Gorbachev—he is a partocrat in his moral authority, keep away from him. Nevertheless, I must say that I felt from him a certain sideways movement. This was adequate for my part, maybe even more.

There was an incident when I was leaving at 2200 or 2300 one night after a very stormy session at the congress. The hall, which can hold 6,000, was empty. Sitting in a corner was Academician Sakharov. I was told: He is waiting for you. What is it? I went up to him. Why are you here? I decided to wait for you. I want to tell you something. In the half-dark hall we sat and talked for half-an-hour. He asked a question. He was probably concerned by it the whole time—who is he supporting, a democrat, or a man who has disguised himself, so to speak, just so as to be on the scene. We had a conversation. Incidentally, I believe he reported this.

[Unidentified correspondent] We published it.

[Gorbachev] You? Right. It was a wonderful conversation. He said to me: You are not involved with all sorts of affairs, dark ones, like everyone else. I assure you that I, in this sense, feel myself free and confident, although since 1974, when in Stavropol I began the battle against all these structures—at first Shchelokhov went hunting, and incidentally, the commission which studied the Gdlyan affair confirmed that somewhere they had found a statement by Shchelokhov that this man must be destroyed. I do not know. You should know this, you are close to him. Yes, destroy. This was continuing from the other side—the hunt for Gorbachev.

When I became general secretary documents were brought to me by a barrister from Khimki [a Moscow rayon]. He left them with the receptionist who receives the incoming mail, and then they were handed to me. They contained excerpts showing how investigators had been putting pressure on people to make them testify that I had been doing shady deals in Stavropol Kray.

[Starkov] But perhaps those were your friends' doings?

[Gorbachev] Later I invited the deputy minister of internal affairs—he was about to die—who recalled how they wanted to give him the rank of general, to give him a higher rank, only that he should say that thing about Gorbachev. But I understood that that team was doing this even in Chernenko's time. I do not know whether he himself was involved, but I am confident. After all, I was a Politburo member.

[Parkhomenko] Mikhail Sergeyevich, during our conversation you mentioned several times: That is what Democratic Russia did—well, according to the KGB's interpretation. In short, everything is simple. A great many things are being said about Boldin, the information blockade around the president and about the information blockade around the current president of Russia. How serious is this? To what degree, in your view, were you the master of all that information?

[Gorbachev] Well, what I think is this. It is not that easy to twist round one's little finger, I beg your pardon, such people who attain such a post as the presidential one. And it is wrong to believe that the only information he uses is that provided to him by the Main Intelligence Directorate, or the State Security Committee, or the information structures of the CPSU Central Committee. But nevertheless, I started discovering this fact at a certain stage, in perfect timing with the growing confrontation in society and in the party. For instance, I could predict what the Main Intelligence Directorate would send to me, absolutely, absolutely, to show that American imperialism was continuing to arm itself and preparing for war in order to attain military superiority, using our certain difficulties. This formula was the same in various interpretations. I could predict straight away what would come along the party line at a given moment, and that proved correct later. Here, at the Central Committee, its structures, statements were prepared condemning the general secretary and the policy which led to that, to the betrayal of socialism, and so on. Meetings were organized, approval was received at them, and then forwarded to me, on my desk.

[Telen] Mikhail Sergeyevich, could we move a bit closer to the present day? Your flexible tactics always yielded results for you. But one time your flexible tactics failed to yield results.

[Gorbachev] In what case?

[Telen] I have in mind the Novo-Ogarevo process, which ended, on the whole, in your failure and that of the design. Could you tell us, please, did you suspect that participants in this process had a contingency variant of their own? When did you understand that, and in which way did your tactics change in connection with this?

[Gorbachev] No, I did not need to suspect, because several points of view were competing during the formation of this new treaty on what the Union should be like. And the same thing was in evidence even as early as the beginning of last year.

All these options were discussed. They were all known. They were floated in the form of alternative projects. And they still exist now. In January last year, for instance, there was the attempt to reach [agreement]—the four sides, the Slavonic republics and Kazakhstan, held talks in Kiev. They discussed a certain option, too. I had all these options. And I understood that this process would depend to a decisive degree on the Russian position. That is how I arrived at the first option, to be more exact, at the need to work on the first option. That happened with the consent of all the participating republics, the nine of them, and the intention was to engage in the work together with the Russian president. Therefore, the experts who worked on the documents were those of Gorbachev and Yeltsin. First we coordinated everything with him, and then circulated the document of the draft Union Treaty, which had already been settled. That was what constituted the basis. I must say that in Russia itself there were processes—and we can see they still persist—which thwarted all this.

[Parkhomenko] Who do you mean thwarted that process in Russia: processes or people? After all, these are two different things.

[Gorbachev] You know that I had a memorandum from Burbulis with the stamp: completely confidential. But I do not know how it could be completely confidential if everyone, including you, no doubt, know about it.

[Parkhomenko] Well, that is questionable.

[Gorbachev] Well, nevertheless, it opened with this: A month or a month-and-a-half after the coup, Russia was beginning to lose the gains it had made as a result of defeating the putsch. Meanwhile, crafty Gorbachev was weaving a web of intrigue in order, once again, to nullify all Russia's gains. But what was Gorbachev in fact weaving? He was seeking to ensure that there would be a Union treaty, that there would be a Union state, that the country would be preserved, without being dismembered. By the way, this was, first and foremost, in the interests of Russia and Russians, of those who preceded us over 10 centuries, and of those who are yet to come over the next 10 centuries—hopefully. I am convinced that in this respect Russia's position played a negative role.

[Telen] Here is my last question in this connection. Do you think Yeltsin was as unfree in his decisions as you were at one time, or did this depend in many respects on...

[Gorbachev interrupts] Perhaps you had better ask him this question. He is a better person to answer this question.

[Zelenkov] Mikhail Sergeyevich, the confrontation with the people of whom we spoke, I mean Lukyanov, Yanayev, etc., has not yet ended, after all. Do you think they, or some of them, might say and give evidence at the trial, if it takes place, that you were one of the participants and initiators in the setting up of the State Emergency Committee, and so on—as a sort of revenge. In this connection do you intend to change your place of residence to retire from all this talk, so to speak, and disgrace?

[Gorbachev] You know even before all that...

[Starkov] Incidentally, many people are extremely interested in knowing the answer to this question.

[Gorbachev] Where I will live, you mean?

[Starkov] Yes.

[Gorbachev] I must say that even if they want to evict me I will not move anywhere. That is it.

[Zelenkov] But what about lecture tours?

[Gorbachev] Oh, well, tours are a different matter.

[Zelenkov] Many of our politicians, including the democrats, start off by giving lectures.

[Gorbachev] No, no, that is out of the question. But I will be traveling around the world.

Unless with regard to me they for some reason start...[changes thought] Then I think it would be up to them to explain why. As far as I'm concerned, my attitude is pure.

[Unidentified correspondent] What is your view of the following very simple maneuver which you, as a realistic politician, cannot ignore? The trial of the SCSE [State Committee for State Emergency] could become a trial of the party and a trial of Gorbachev, if a scapegoat is needed. Are you prepared for this eventuality?

[Gorbachev] I think the right-wing is seeking a scapegoat. Hitherto, lawyers have not had a role to play during the investigation stage. The participants in this conspiracy—or however the case is going to be described in jurisprudence—have failed to do a deal among themselves. But now, thanks to the presence of lawyers, everything is being coordinated and a scheme has been worked out. It is already being implemented. Let's do all we can to turn this into a political trial, a political trial. If this happens and that happens, everything will make progress.

But there are criminal proceedings connected with the coup, and the removal of the lawful president from power. Somebody must answer for this. All the rest is a question of the political struggle and the alignment of forces. As a result of this or that alignment, this or that trend wins and comes to power. As you know, it is frequently the case that any method is acceptable in this political struggle. Anything goes.

[Unidentified journalist] Nevertheless, are you prepared for such an eventuality, and do you regard it as...

[Gorbachev interrupts] I predicted with complete accuracy that all this would happen. Therefore, people are now demanding an open trial in the hope of provoking somebody into saying: No, the trial must be closed. No, it must be open. Open. It must be an open trial.

[Flyarkovskiy] I'd like, if I may, to change the subject. I want to change it and bring it right up to the present day, and even look a week ahead. On 14 December last year you assembled us journalists—about 30 of us—immediately after the...

[Gorbachev interrupts] Ah, yes.

[Flyarkovskiy] You remember, yes?

[Gorbachev] Yes, yes.

[Flyarkovskiy] After Belovezhskaya Pushcha [Commonwealth of Independent States Treaty signing]. And at that time you said: You've been brought here to warn, caution, show how you are alarmed, why you are alarmed; that the process which was begun by Belovezhskaya Pushcha does not inspire you with optimism. At the time I asked you whether you did not feel that at the time there is an increased probability that people may come to power at any moment, people whose ideas are based on the postulates of national chauvinism, of arrant patriotism, spurious patriotism, as it were.

You have said yes and this is also dangerous nowadays. But this looks, bluntly speaking, like everything has been piled together. Yes, there is this danger, too. Now I am dealing with the documents and manifestos which are being prepared before 9 February, before a march to the White House, by the new and not so new political forces about which you too have started speaking now. There is a red thread and a brown thread running through these documents. What is the probability of such political forces coming to power now?

[Gorbachev] This confirms what I said. I have already said that I very much regret that many of my forecasts, my forecasts about the market, about economic ties, the army, human relations, and so on and so forth, have started coming true so quickly. It confirms what I said.

Here is what workers told me at a meeting in November or October during a gathering of labor collectives. There was a delegation. I had been invited to attend but I could not and asked them to come. They came and said that if in the future during the implementaton of reforms the government would favor in every possible way entrepreneurship, the individual farmers and other businessmen with initiative but would exclude the huge collectives of state enterprises from the process of reforms, we will have nothing else to do but to sweep away this power which does not respond and does not think. As for us, we are in favor of perestroyka, reforms and the market. But give us a possibility to participate in this process. So what do you imagine? After all, the privatization of such huge collectives and enterprises is not a simple matter.

Hungary has been carrying our privatization endlessly but still has not made a final decision even now, incidentally. The same is true about others. Even East Germany has difficulties in clearing this position. Say what you like but it took Mrs. Thatcher—the famous Thatcherism—12 years to privatize 20 percent of the state sector in Great Britain. All this is very serious.

They said that if you do not allow us to be masters of our enterprises, output and income, a proportion of the income earned, we will arrange such a putsch for you with which you would not be able to cope the way you did in August. I warned that this is the most serious threat. Having suffered defeat in connection with the putsch, reactionary and revanchist forces have not yet lost hope for revenge.

They are consolidating, we can see this. This consolidation is acquiring such forms that, indeed, we must think about a serious danger, a serious danger. Well, the danger consists in the fact that the discontent which is mounting in connection with the implementation, with the way reforms are being implemented today through the freeing of prices and the form it has taken—those people precisely can ride on this discontent. Herein lies the danger lies.

[Flyarkovskiy] You have in mind the national idea?

[Gorbachev] Regarding what you said, those people who, perhaps, have not yet formulated their programs—and some of them have already formulated them, at least in outlines, those, so to speak, who have already been exploiting this national idea, including the Russian idea, for decades. Being a Russian, I cannot agree with this. As a matter of fact, answering NEZAVISIMAYA GAZETA I said that the nationalist which is on the loose in all the states of our Commonwealth is one of the dangers, and in certain states he behaves even more outrageously

[Unidentified voice] Yes, not only in our country.

[Gorbachev] I am not going to debate now whether it is the Union, the CIS [Commonwealth of Independent States] or something else but this is reality, and the more time is lost, the greater number of new obstacles of every kind will be piling up.

[Starkov] Mikhail Sergeyevich, what is your attitude to shock therapy, in clear-cut terms: yes or no, for or against, in one word, please.

[Gorbachev] All right. I have to say that, while in principle I support the determination and thrust of the policy which Yeltsin has proclaimed, I see tactical errors in the implementation. They have put the cart before the horse. It is absolutely vital to make adjustments, above all to make sure that producers are given incentives by tax policy. Tax policy must be changed. Antimonopoly legislation must be applied. Ties must be arranged between the republics—rather, the barriers between the republics must be removed so that manufacturers can cooperate. Unless this happens, unless more goods arrive on the market at the same time as these measures, they will not cope with the situation. But I'm not saying that this government should go. No. On the contrary I am very eager for them to succeed. So they shouldn't cut themselves off. After all they are not consulting anybody at the moment. This was not the case before, even keeping in mind the criticism meted out to previous governments.

[Demchenko] Mikhail Sergeyevich, please, about your support for the Russian leadership now: Will you be acting as opposition?

[Gorbachev] While we were sitting for nine hours with Boris Nikolayevich a few days after returning from Alma-Ata and discussing how to act further—unfortunately, not everything is turning out the way we agreed—I told Boris Nikolayevich that I wanted to state that not only would I support him but also would defend him as long as he continues with the course of transformation and reform.

Otherwise, if the government were to take a different line in Russia, then I would have to think carefully about what position I should take.

[Telen] Mikhail Sergeyevich, are there circumstances under which you would agree to stand for the post of president of Russia?

[Gorbachev] The president has only just been elected. This question is not on the agenda.

[Telen] What about when his term expires?

[Gorbachev] I will be an old man by then.

[Telen] In other words, you don't envisage such a future for yourself?

[Gorbachev] No. I don't think this question is at all topical now. I will continue with my present activities. The foundation has the potential to be a very serious initiative and vehicle for supporting the positive trends which were started by the policy of perestroyka. In general, this serves the same policy.

I think that for us the fate of Russia, of Russia in its new role and how the CIS will develop, how Russia will integrate itself into the world community, this process should be elaborated on by the foundation, so that there are judgements that will be of use to Russia's leadership. Finally, the foundation is giving very thorough consideration to how to move toward a new generation of young politicians and support them. Incidentally, the first graduates have appeared.

[Golembiovskiy] Already?

[Gorbachev] Already. I have spoken with one group. It was interesting.

[Parkhomenko] Excuse me. The foundation is one thing, Gorbachev is another. As far as I understand, it is your task—correct me if I am wrong— to enter a kind of imaginary club with Kissinger, Thatcher, Giscard d'Estaing, and Carter.

[Gorbachev] That is right. It is already there. The conspiracy is in place—another conspiracy!

[Parkhomenko] I see. So if this conspiracy develops and if, to put it bluntly, it becomes clear that you have major influence and authority, etc., so to put the question head-on, will you be allowed it?

[Gorbachev] Is this the opinion that has shaped up thanks to your consistent work, that Gorbachev is soft-bellied, indecisive, weak-willed and generally slothful? Sorry, but that is not what you have here. You have missed one simple thing.

[Demchenko] You have persuasively shown us how very dependent you were on developments inside the country. What about foreign policy? I noticed that in your last interview, the recent interview with KOMSOMOLSKAYA PRAVDA, you drew attention to Eastern Europe even though you had not been asked about it. There have indeed been rumors that you were very much in a position where you were forced to withdraw. You really did not. In that interview you rightly said that you gave nothing away to those people. Those countries were theirs and so on.

But what about our own country's interests? To what extent were they ignored? After all we left property there. The army was completely unprepared when we pulled it out. We destroyed the CEMA without preparing for the consequences. We switched to world prices with the CEMA countries without doing our calculations. We sustained very great losses, didn't we? To what extent was this dictated by circumstances? Were you dependent on circumstances? Or were you, in fact, the force behind this?

[Gorbachev] In the first place I have to tell you what I should have said, what perhaps I even tried to say. Remember what they said at the Supreme Soviet. They said that I did not wish even to discuss dilettante views about foreign policy issues. No, this does not apply to you. This is what I said at the Supreme Soviet. Why? Because people believed that Gorbachev was behind every step in foreign policy. He had decided on some step, he had made some populist move in order to appear a peace-maker or something of the kind.

Let me tell you straight. When we initiated perestroyka, we believed that we needed to understand our own country and society, to be aware of the kind of society we were living in. But we also needed to understand what was taking place around us. Without that there could not be perestroyka. These two elements were inseparable. If these processes are based on new political thinking within the country, they will also be transferred to foreign policy. So this is all logical. Everything is related. We must look at things differently, because the very logic of the foreign policy which was followed after the war led to a situation in which we were on the brink of mutual destruction. I emphasize this—we were on the brink.

We had to start pulling back and start looking at things differently. The camps had to be dissolved and replaced with a shared civilization. Though our world is a contradictory one, it should not be divided but mutually linked. This also applies to the processes which took place in Eastern Europe. We acted consistently, emancipating these relations, moving away from the command system, from that doctrine of limited sovereignty. We acted step by step. It required a very great deal of effort on my part to negotiate with Havel, with the Hungarians, so that they did not rush ahead, forge ahead, exacerbating the situation in the army, to convince them that the human factor should not be forgotten, the fact that we are neighbors, that we live next door, that we had an interest in what was going on. That was hard going, actually. As a result we were supported by the internal situation in those countries, which in such a case...

[Demchenko interrupts] But those relations were based on parity. Wasn't anybody saying, for example, that if you do that, we will give you credit, for example?

[Gorbachev] No.

[Demchenko] Withdraw your troops and we will...

[Gorbachev interrupts] No, no, no.

[Demchenko] No?

[Gorbachev] Naturally this was accompanied by a certain amount of bargaining, as with the Germans, the fact that they had to pay us something, and with the Hungarians. This bargaining is not yet over.

[Zelenkov] As head of state you took out quite a few loans. They now amount to tens of billions. Yeltsin, as president of Russia and the successor-in-law, will be forced to make payments on these, but adding to them at the same time. Won't the time come when, as happened with Poland, we won't be able to meet the payments and a kind of financial structure will be set up under which reform will be conducted from outside? I'm not saying that this is good or bad. A section of the population believes that it would be better if Thatcher or somebody else familar with reform in the West came along and sorted things out for us. Others believe that this would mean the collapse of Russia. Don't you think that within a couple of years we could be embarking on this road, reform from outside?

[Gorbachev] No, I think that all those things which we have to do in our society are a burden which we ourselves must bear, first and foremost. Even those debts which you mention are on the whole not so menacing, when you compare them with our economy. Some believe that we could double or triple them in order to escape this crisis. I don't hold with those arguments either. That would be arrogant and rash. But although we owe about 72 billion rubles [R], we ourselves are owed R84 billion. So these can be tapped—they will help to ease the severity of the situation.

Furthermore, I think that everything will depend on how quickly we manage to accomplish reform and on how our integration with the world market goes. We have something to offer the market, and not just resources. We have high-level technology. We have trained engineers. Very many of the working class are trained. Now that the masks are coming off, people are saying that the whole country has been stupefied, as it were. It is incapable. It lacks the intellect, the organization, the discipline. That's not so at all. We are making fast progress. To give you a simple example, I have just met the vice-president of McDonalds. Things are going fine, he says. He is satisfied with the way our people are working in that organization. It's fine.

[Starkov] We are still receiving letters from readers who associate you with two things: the anti-alcohol campaign and Raisa Maksimovna.

[Gorbachev] It's a curious fact, you know, that if somebody says he doesn't drink, he is thought of as being mad, as clearly needing treatment. I, on the hand, do drink but I do not need treatment. I do not need treatment. That is the attitude people have.

[Starkov] You have got our senior cameraman smiling. After all these global questions we have been discussing, I see the cameraman smiling for the first time.

[Gorbachev] I believe in principle that I began something of great national importance, which our country needs. I still believe that we must occupy ourselves with this matter, that we must make our way of life more healthy—but not the way we tried to do it at that time.

As for Raisa Maksimovna, I think all of you realize what I have to say, especially as he [Starkov] invoked quite a large number of people by referring to readers. This is what I have to tell you. At the beginning of our conversation I said that I have already received about six sacks of letters, and I am still getting them. Great support is expressed in these letters, both for Mikhail Sergeyevich and for Raisa Maksimovna.

We continue to maintain our relationship in the same way we had built it up at the beginning. This began in 1953—in 1951 to be precise, whereas in 1953 we got...

[Demchenko interrupts] If such a thing happened then.... [laughs]

[Gorbachev continues] Yes, if such a thing happened.

[Starkov] The main thing is, Mikhail Sergeyevich, that you are revealing all this now.

[Gorbachev] Absolutely. You know, the fact that ARGUMENTY I FAKTY wrote about this has had no effect on me whatsoever. [all laugh]

[Zelenkov] Since we are speaking about family matters then we must mention that many politicians who have resigned have occupied themselves with sawing wood or gardening. What interests do you have besides writing books and working in your fund?

[Gorbachev] None, at present.

[Zelenkov] None at all?

[Gorbachev] I am working on the book *December: My Stance*, and am thinking about what I have to write about perestroyka. The theme of the first book has taken shape: It will about the agony of the regime.

[Telen] Mikhail Sergeyevich, have you maintained informal relations with any of the present leaders of the republics, for instance with Nazarbayev or Yeltsin? Are you in touch with them?

[Gorbachev] Well, I used to keep in touch with them all the time. But I have been in isolation this last month.

[Parkhomenko] Deliberately? Did you isolate yourself or did they isolate you?

[Gorbachev] No, no. I isolated myself.

[Starkov] Haven't they phoned you?

[Gorbachev] Well, I received warm and kind New Year wishes from Boris Nikolayevich, from Nazarbayev, from Shushkevich, but not from the others.

[Unidentified male correspondent, off-screen] Do you have fewer friends now?

[Gorbachev] I think I have more friends now. I am genuinely amazed by what I have received and by what is happening here, as well as everyone is who deals with what people have written to me and are continuing to write. I have the feeling that nothing I did was done in vain.

[Golembiovskiy] We would like to thank you. I hope that our energetic young colleagues have not frightened you.

[Gorbachev] No, no. On the contrary. I myself feel young again.

[Golembiovskiy] That means that there is hope for another meeting. Once again thank you for your sincerity and for spending time with us.

[Gorbachev] I enjoyed this meeting and I hope that it will not be the last one.

Burbulis Meets Industrial, Defense Leaders

OW1002172892 Moscow INTERFAX in English 1604 GMT 10 Feb 92

[Transmitted via KYODO]

[Text] Russia's First Deputy Prime Minister Gennadiy Burbulis has said the government is ready to make the necessary corrections to the program for reforms. He was speaking at a working meeting with economic managers and leaders of various regions in Moscow on Monday [10 February]. Taking part in the meeting are Vice-Premier Yegor Gaydar and other government ministers, as well as the Deputy Chairman of the Supreme Soviet Vladimir Shumeyko.

In his opening remarks Burbulis said that the conference's main task was to analyse the situation and look into whether the Cabinet's policy goals were consonant with the economic realities.

Burbulis said the government was going to correct the legal basis of reforms in keeping with the producers' opinion in order to stimulate further changes. He said that at the upcoming session of the Cabinet on Thursday [13 February] the results of January's reforms and ways of making them more dynamic would be number one issue on the agenda.

Government 'To Amend Its Actions'

LD1102002992 Moscow Russian Television Network in Russian 2000 GMT 10 Feb 92

[Report by correspondent V. Budnikov from the "Vesti" newscast]

[Text] Russian Deputy Prime Minister Gennadiy Burbulis today met enterprise directors. The conversation was about the conditions in which industry is working and what can be done to improve them. The government intends to amend its actions in accordance with the outcome of the meeting.

There were no objections in principle to the economic reform, even from the leaders of the defense industry giants, which are now in a very difficult situation. The Ministry of Defense has drastically reduced armament procurements. Meteriel has accumulated in huge numbers in warehouses, but on one has given permission to redirect production to civilian output. As a result, because of the lack of money, a most explosive situation is developing at the defense industry, where around 9 million [as heard] people are employed.

Prices Not To Be Regulated

LD1102131292 Moscow Radio Rossii Network in Russian 1000 GMT 11 Feb 92

[Text] The Russian Government is to amend several decisions; this is necessary to ensure the irreversibility of the reform process, an RIA correspondent was told by Gennadiy Burbulis, first deputy chairman of the republic's government. He said that in particular this will concern the mechanism of price formation, taking into account features of specific industries and regional considerations. The government does not intend to regulate prices again.

The issue has to do with the coordination of the interests of enterprises, which have so far been unable to take the freedom of prices into account, Gennadiy Burbulis said. He also emphasized that the Russian Government is transferring the focus of its activity into work with enterprises in the provinces and thereby perfecting its program. The government will present a schedule for its activity in the near future, the vice premier said.

Rejects Ban on Strikes

OW1002212992 Moscow INTERFAX in English 1934 GMT 10 Feb 92

[Transmitted via KYODO]

[Text] [passage omitted] The first deputy Prime Minister of the Russian government Gennadiy Burbulis also told a conference of Russian government officials and Russian industrial managers that land would be sold to industries being privatized. President Yeltsin's decree to that effect will be ready for the next meeting of the Cabinet, due on Thursday [13 February].

Burbulis rejected calls for "temporary restrictions on democracy", for instance a ban on strikes. "We will be pushed in some cases, very aggressively, towards taking such measures", Burbulis said. He dismissed them as impermissible.

Industrialists Endorse Reforms

OW1102125792 Moscow INTERFAX in English 1124 GMT 11 Feb 92

[Transmitted via KYODO]

[Text] On Monday [10 February] in Moscow leaders of the Russian Government and parliament met a group of industrial managers.

In his final word Vice-Premier Gennadiy Burbulis promised the managers to take their proposals into account and update the government program of action for the next few months. However, he found that people in the Russian economic complex are evidently "poorly informed about the aims, forms and methods of reforms which should be immediately amended."

It was announced at the meeting that President Yeltsin ordered the appointment of Vitaliy Konovalov, formerly the Minister of the Soviet Nuclear Industry, to a similar post in the Russian Government.

In an exclusive interview for IF [INTERFAX] Mr. Burbulis said that the main message of industrialists to the government at the meeting was: "Do not even think of backing up."

According to him, the meeting reflected "the current process of comparing views with those on whom the reforms greatly depend now rather than a step in view of the Thursday session of the cabinet."

No Results in Miners' Talks With Government

LD0902193392 Moscow Radio Rossii Network in Russian 0200 GMT 7 Feb 92

[Text] The talks between the Vorkuta miners and the government of Russia ended without yielding any results, members of the Vorkuta strike committee delegation said at a press conference which took place in Moscow.

The miners proposed to the Russian authorities a wide-ranging program of direct exchange of goods, that is, coal for metal, using the metal to build a network of grain and vegetable storehouses, cold stores, and agricultural machinery plants.

Ruslan Khasbulatov, chairman of the Supreme Soviet, came out in favor of the program, as did Vladimir Shumeyko, his deputy, and also academician Stanislav Shatalin.

In the opinion of the Vorkuta men, the implementation of this program, which is being assisted by (Sergey Shashurin), an entrepreneur from Tataria, may make a considerable contribution to improving the country's economy. However, the ministries of fuel and power engineering, ecology and natural resources, and industry came out against this program which was presented to them for detailed examination.

The miners of Vorkuta have appealed to the miners of all coal basins of Russia, the Ukraine, and Kazakhstan for support and proposed that a common position should be worked out in the conditions of disorder in monetary relations and looming hyperinflation.

"We are not calling for strikes, but we do not exclude the use of that weapon if our demands are not satisfied," the document circulated by them stresses.

Miners Deliver Strike Ultimatum

LD0802165192 Moscow Mayak Radio Network in Russian 0330 GMT 8 Feb 92

[Text] The railway workers of Vorkuta and Inta have delivered an ultimatum to the Government of Russia. The railroad workers are demanding that the government hold talks with representatives of all trade unions of the northern region before 15 February in order to elaborate a single resolution on the social protection of the population; otherwise they are threatening to stop transporting passengers and freight.

Government To Free Prices for Gas Products

LD1002211392 Moscow POSTFACTUM in English 1846 GMT 7 Feb 92

[From the "Domestic Market" section]

[Text] Novy Urengoy—The government of the Russian Federation may authorize the "Gasprom" (gas industry) concern to sell up to 40 percent of produced gas at free prices.

Viktor Chernomyrdin, chairman of the board of the state "Gasprom" concern, speaking on February 6 at a meeting of the board of the Gasprom concern in Novy Urengoy, also said that, by the end of 1992, it is planned to realize all gas at free prices. Before that time, according to Chernomyrdin, no privatization is planned in the gas industry. Seasonally adjusted gas prices will be introduced. In winter, when demand is especially high, prices will be higher than in summer, Chernomyrdin said. The board considered prospects for development of West Siberia under new circumstances. However, Chernomyrdin believes that "one should be careful in setting gas prices as the concern is a monopolist and, if prices are excessively increased, certain measures may be taken against it. Therefore, for us, the distance to the gas pipeline gate valve is bigger than that to the nuclear button," Chernomyrdin stated. According to Chernomyrdin, the estimated final gas price to be paid by consumers must be higher than R [rubles] 1,000 per 1,000 cubic meters. The economic and finance department of "Gasprom" concern has been instructed to determine, prior to February 20, necessary gas prices, taking into account the precise amount of investments, as well as operational, production and social costs of enterprises, it is also to draw up price indexation materials for coordination with the Russian Federation's Ministry of Economy and Finance. It was noted at the meeting of the board of "Gasprom" concern that the price liberalization had seriously affected the work of the concern enterprises, their financial situation worsened. For instance, suppliers are currently offering pipes at prices nearly 100 times as high as in 1991. There has been no decline in gas production over 1991, it is also planned to prevent any decrease of production this year.

In 1992, "Gasprom" concern is to produce 622 billion cubic meters of gas, including 558.8 billion in West Siberia. However, the planned production levels may not be reached unless the problem of manpower drain is settled.

According to Rim Suleimanov, general director of the "Urengoygasprom" production amalgamation, the average monthly wages in the amalgamation in 1991 stood at R1.378, while "on the mainland wages are the same and even higher than in the north." Another reason for the manpower drain, according to Suleimanov, is the Ukrainian problem. "Approximately 40 percent of workers in the amalgamation are Ukrainians. They are subjected to discrimination at home. Their roubles are not exchanged to coupons, no rationing cards are provided to them, the matters of pensions have not been settled. Due to this, younger workers are leaving for the Ukraine, they are not sure of their future," Suleimanov stressed.

The board of "Gasprom" concern instructed the department of social development and manpower to work out, in February, proposals regarding protection of rights and benefits enjoyed by Ukrainian citizens engaged in gas enterprises in northern areas and areas equated to them (i.e. pensions, reservation of apartments, exchange of coupons, adjustment of customs regulations regarding export of excessive-demand commodities). The department is to take measures aimed at settling these matters with the governments of the Ukraine and Russian Federation.

Economist Says Monetary Policies 'Nonsense'

LD0702175492 Moscow TASS in English 1336 GMT 6 Feb 92

[Text] Moscow February 6 TASS—"What is now happening in Russia has nothing to do with market prices. This is just another administrative increase, with just one difference—prices are now managed by various state structures," Academician Nikolay Petrakov said in an interview with the MEGAPOLIS-EXPRESS newspaper.

"In current reforms, monetary policies puzzle me even more than the 'pseudo-liberalisation', or rather, the absence of such policies. The rouble is not trusted, not only because it is fast loosing its buying power, but also because it is unclear on what territory it can be used. Russia has nationalised the printing press and its State Bank is supplying independent states with money, and not only Commonwealth states, but the Baltic republics and Georgia as well. The result is a legal and economic nonsense, provoking an economic war between former fraternal republics," Petrakov said.

Two ways are possible: Russia either gives the money or refuses to give it to republics, determining their economic behaviour, or becomes their cashier, automatically providing them with the needed sums. Both ways lead nowhere, even in political terms: no one will now want to dance to the fiddle of the Russian Government.

"A money reform is necessary in order to make the currency convertible, and introduce the country into the world market. It can be carried out within the Commonwealth of Independent States or in Russia alone. In the first case, it will be necessary to set up a central bank or an inter-bank union, independent of republican governments, to pursue monetary policies. If the Russian currency becomes hard, it will cement other currencies as well. Without normal money, privatisation and transition to a civilised market and joining the world market, is impossible," Petrakov said.

Yeltsin Decree Establishes Agricultural Academy

LD0502115592 Moscow Russian Television Network in Russian 1700 GMT 4 Feb 91

[From the "Vesti" newscast]

[Text] The Russian Academy of Agricultural Sciences has been established by a decree of President Yeltsin.

To Succeed Lenin Academy

LD0802164292 Moscow TASS International Service in Russian 1442 GMT 6 Feb 92

[By ITAR-TASS correspondent Petr Tsyrendorzhiyev]

[Text] Moscow, 6 Feb (ITAR-TASS)—The main result of the general meeting of agrarian scientists, which ended today in the settlement of Nemchinovka near Moscow, was the founding of a single Russian Academy of Agricultural Sciences [Rossiyskaya akademiya selskokhozyaystvennykh nauk], the successor to the Lenin All-Union Academy of Agricultural Sciences. Its prime task is still to coordinate fundamental and applied research in the domain of the agricultural complex. The academy will start to carry out a kind of "government order"—to devise a science-based method for reforming Russia's agriculture.

Romanenko Elected President

LD0802164592 Moscow TASS in English 1835 GMT 5 Feb 92

[By ITAR-TASS correspondent Petr Tsirendorzhiyev]

[Text] Moscow February 5 TASS [as received]—Academician Gennadiy Romanenko is elected the first president of the unified Russian Academy of Agricultural Sciences in a joint meeting of its members.

"The academy will directly take part in agrarian reforms, work out clear cut recommendations for reorganization of collective and state farms," Russian Minister for Agriculture Viktor Khlystun told ITAR-TASS. "Along with traditional directions of research, the academy will start scientific research work in agricultural services, marketing of agricultural produce, food and processing industry," he said.

The unified meeting today elected six vice presidents and a chief scientific secretary, and also formed branch departments of the academy.

Government To Privatize 42,000 Enterprises

LD1002193292 Moscow TASS International Service in Russian 1254 GMT 10 Feb 92

[Text] Moscow, Feb 10 (ITAR-TASS)—"In accordance with the plan to privatize trade and public-catering enterprises, about 42,000 outlets will be privatized this year," Stanislav Anisimov, Russia's minister for trade and material resources, told a news conference today.

Particular attention will focus on rapid privatization not only in the consumer sphere (trade and services to the public) but also in industry, especially processing. The principal problems are still how to tackle monopolism and collusion among monopolists, the minister stressed.

Food remains expensive throughout Russia. Prices for meat and processed meat have fallen somewhat. The most "expensive" towns are still St. Petersburg, Omsk, Chelyabinsk, Ulan-Ude, and those around Moscow. The "cheapest" towns are along the Volga.

On the non-foodstuffs market, sales of light-industry products, furniture, and various consumer durables are falling because of excessively high prices. The removal of the old trade system's middle level—directorates, trade authorities, and trusts—decreed by the Russian president is now being completed. Half of all trade enterprises have already become incorporated entities and acquired commercial independence, the minister reported.

Price Liberalization Impacts on Stock Exchanges

LD1002230792 Moscow TASS in English 1909 GMT 10 Feb 92

[By ITAR-TASS correspondent Sergey-Telepnev]

[Text] Moscow February 10 Tass [as received] The price liberalization and the introduction of new taxes have led to a sharp recession in activities of the Moscow largest stock exchanges—the Moscow Commodity Exchange and the Russian Commodity and Raw Material Exchange: In the first week of January the number of transactions was between six and twenty times less than in 1991. A news conference at the Institute of Research on Organized Markets was devoted to the analysis of the reasons for such a phenomenon.

The price liberalization has deprived the stock exchange trade of one of its main advantages—the possibility for manufacturers to sell goods at free prices.

The dynamics of prices and trade volumes were also influenced by the introduction of new taxes, to say nothing of the confusion connected with the mechanism of imposing a tax on the added cost. Clients decreased their activities waiting for the explanations to be made by financial bodies. A tangible blow was dealt to the brokers' offices by a 45 per cent tax on the profit earned as a result of mediatory services. To maintain the former level of profits of companies and their workers, they had to increase the prices for their services and search for roundabout ways.

According to the institute's experts, the lifting of restrictions on the level of profitableness for industrial enterprises has led and will lead to a larger growth of prices for consumer goods and farm products consuming the production means created in industry. The possibility to establish prices for their products will enable agricultural enterprises to insert a high norm of profitableness into the sale prices.

Supreme Soviet

Committees To Prepare for START Ratification

LD1702172192 Moscow TASS International Service in Russian 1612 GMT 10 Feb 92

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow, 10 Feb (ITAR-TASS)—The Presidium of Russia's Supreme Soviet today instructed its standing parliamentary committees to prepare for ratification of the Strategic Arms Reduction Treaty (START), which was signed in July 1991 in the United States.

Russian Foreign Minister Andrey Kozyrev gave a detailed evaluation of the clauses in the treaty. He commented that implementation of the treaty will greatly stabilize the world political situation. He stressed that "there are no unilateral concessions by our side in the treaty."

Other member-states of the Commonwealth of Independent States also approve of the treaty and commit themselves to ensure adherence to it. Andrey Kozyrev said that preliminary contacts with them show that the Commonwealth's nuclear states accept the desirability of Russia, as successor to the USSR, ratifying the treaty.

Hearings Begin on CPSU Financial Dealings

LD1002132792 Moscow Mayak Radio Network in Russian 1000 GMT 10 Feb 92

[Report by parliamentary correspondent Vera Shchelkunova on Russian Supreme Soviet session on 10 February in Moscow]

[Text] The Russian Federation Supreme Soviet today, right now in fact, is holding open parliamentary hearings into illegal financial dealings by the CPSU. Republican Deputy Procurator General Lisov stated that on 10 October criminal proceedings opened on abuses in this regard, and he reported on some of the investigating group's results.

One of the group's aims is to ascertain the financing details for so-called fraternal parties—there were 98 of them, some banned under the legislation of the countries in which they were operating. So how legal was all this? During the late 1940s and early 1950s, an international aid fund for fraternal communist parties was established. It collected about 25 million rubles a year. Of these, 20 million came from the Soviet Union. The investigating group is not delving too far back into history but instead is examining events of the last ten years, especially since for the latter there is full documentary evidence. This is how it was done. The Politburo would make a decision; it was of course a party and a not state body. It was the Politburo that decided where to get the money—from the state's pockets of course. It would then instruct the government. If someone needed help urgently then there was a man in the party's international department who knew that there was hard currency in Vneshekonombank [USSR foreign trade bank] that could be obtained within 30 minutues and sent wherever needed. He would get hold of his man in the bank, who would turn up with the cash in a briefcase so that it could be sent abroad via the KGB.

But for what? Here are some examples from the deputy procurator general's report. So, from El Salvador they wrote asking for cash to support the guerrilla war. In Iraq they needed cash for more or less the same reason. The leader of the Israeli Communist Party, for example, wrote that it was simply inhumane to pay party functionaries less than 3,000 dollars a month.

Another of the investigators' other tasks was to find out the total value of CPSU assets frozen by the Yeltsin's presidential decree and how to channel these resources as soon as possible into the economy and put them to work. For example, the assets frozen in Vneshekonombank could provide a monthly income of about 100,000 dollars. But they do not, because they have been immobilized. There were questions, for example, about party leaders' personal accounts abroad and whether Gorbachev has any, since on 7 February Deputy Baburin claimed that Gorbachev and his wife do have money abroad. The deputy procurator general said that the investigating group had no details about that. Had anything become clear regarding gold, silver, and other valuables allegedly sent abroad? Lisov said that the investigators knew that the party leadership had opportunities to do this, and to get valuables from the state repositories. But so far there are no details as to where they were sent subsequently.

Why have today's hearings provided such inconclusive results? The commission investigating the circumstances and reasons for the coup d'etat only has until 15 February to do its job. There are numerous aspects to its work, and this is why it has had to hold hearings on issues that are still unresolved and on which the investigating group, evidently, still has a great deal of work to do. In any event, there will be hearings tomorrow on the extent to which the former USSR's Armed Forces were involved in preparing and executing the August coup.

Officials 'Sure' To Face Charges

LD1002144792 Moscow TASS in English 1412 GMT 10 Feb 92

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow February 10 TASS—Russian deputy prosecutor general is sure criminal charges will be brought against senior officials of the former Soviet Communist Party when the investigation of the CPSU illegal financial activities is over.

Boris Ponomarev, a former foreign relations secretary of the CPSU Central Committee, will be the first to be interrogated, Yevgeniy Lisov told Russian parliament on Monday [10 February].

The case has been investigated for four months now "proceeding from legal, not political grounds", he added. Investigators succeeded in finding practically all property inside Russia belonging to the former Communist Party. It is worth 7 billion roubles, Lisov said.

Former Soviet President and CPSU General Secretary Mikhail Gorbachev authorised the Central Committee administrator to invest party finances into small ventures, joint stock companies and banks, Lisov told parliament, quoting a corresponding document signed by Gorbachev. "We would like to know whether these investments were made to save the CPSU in case it is forced to work in the underground", he added.

All bank accounts of the CPSU are under arrest now, including 14 million U.S. dollars kept in the foreign trade bank. The remaining 12 million dollars are kept by the investigation, Lisov said.

An international fund was created jointly by the CPSU and other "sister" parties early in the 50s to help the communist movements abroad. The CPSU annual allocations to the fund totalled 200 million U.S. dollars, and the money was taken from the state budget, Lisov disclosed.

The deputy prosecutor general said investigators found no firm proofs that the CPSU was transferring gold and valuables abroad. No proofs have been obtained on whether Mikhail Gorbachev and other former CPSU leaders have bank accounts abroad.

Whereabouts of 'Treasures' Unknown

LD1102004692 Moscow Russian Television Network in Russian 1700 GMT 10 Feb 92

[From the "Vesti" newscast]

[Text] Today's sensation is the hearings in the Russian parliament about the CPSU's financial aid to foreign communist parties. Money for secret aid was withdrawn from the Foreign Economic Bank in such a way that the operation left virtually no traces. The money was withdrawn on call. This means that it was possible to receive money secretly for other purposes, including personal purposes.

[Begin correspondent Ye. Revelskaya recording] Up to now the special investigation group of the Russian procurator's office had been unable to establish the whereabouts of the treasures of the CPSU which had been directed abroad—up to $50 billion, 60 tonnes of gold, 150 tonnes of silver, and eight tonnes of platinum. These figures were quoted today by investigator Yevgeniy Lisov at parliamentary hearings into the CPSU's illegal financial activities. The Bolsheviks are once again ahead of everyone on the planet in terms of a conspiracy, and not without the assistance of kind people.

Lisov read the names of those who by their actions are dragging out, and at times hindering, the inquiry. For example, up to now neither the special parliamentary commission nor the investigative group has had access to the KGB's archives. Petrov, head of the Russian president's administration, is not allowing the investigation access to the USSR president's current archives. To date all the party's ruble accounts and real estate have been brought to light and sequestrated. This amounts to approximately 7 billion rubles. In addition, $26 million which remained in a special account has been sequestrated at the Foreign Economic Bank. Of this, $14 million was in the form of cash in hand. If it could be unfrozen, the country could receive $90,000 in monthly income.

Nevertheless, the Russian Ministry of Finance is impeding the transfer of these funds to a special account which was opened on a decree by Yeltsin. The old cadres are still pulling the strings of power. For example, a person involved in the illegal transfer of valuables is still chairman of the State Depository within the People's Financial Commissariat, now under Russian control.

The investigative group today asked the parliamentarians for money to continue its work. The specialists in the investigative group, who have been invited from all over the country, are receiving expenses of 25 rubles a day. [end recording]

Details of PRC Border Agreement Released

LD1002222392 Moscow POSTFACTUM in English 1957 GMT 10 Feb 92

[From the "Politics" section]

[Text] Moscow—On February 10 Presidium of the Russian Supreme Soviet decided to submit the USSR-PRC agreement on the Soviet-Chinese state border in part of the eastern section for ratification by the Supreme Soviet.

The agreement was signed by Soviet and Chinese ministers of foreign affairs on May 16, 1991. Presenting the draft Genrikh Kunadze, Russian deputy minister of foreign affairs, said that this agreement is the first one to resolve many debated issues concerning the Soviet-Chinese border. The agreement refers to the border section 4,300 km long between the Russian Federation and China stretching from Mongolia to the Far East. The land border 600 km long has been completely settled, the rest of the border goes along rivers. The agreement stipulates that, in compliance with international laws, the border follows the main fairway on navigable rivers and the middle of the river on non-navigable ones. Under the agreement 945 islands with total area 1,364 sq.km. are considered Russian 896 islands with total area 787 sq.km. [sqaure kilometers]—Chinese. The 58 km long open unsettled border section includes the islands Bolshoy Ussuriyskiy, Tarabarov and Bolshoy at the river of Argun. Geographically these islands should have been owned by China. However, for economic reasons Russia cannot pass these islands to China, said Kunadze. The landing route of aircraft bound for civil and military airports extends over the Bolshoy Ussuriyskiy and Tarabarov islands and a fresh water filtration facility is situated on island of Bolshoy on Argun. At present the parties preserve status-quo with the islands remaining under Russian jurisdiction. Kunadze stated that China suggests ratification of the agreement in late February 1992. Ratification of the agreement has been included in the agenda of the February 12-15 session of the Russian Supreme Soviet.

Group To Control Foreign Military Contacts

LD1002222892 Moscow POSTFACTUM in English 1957 GMT 10 Feb 92

[From the "Military News" section]

[Text] Moscow—The Presidium of the Russian Federation Supreme Soviet has decided to set up a deputies' group for efficient and flexible control of military and technical cooperation between the Russian Federation and foreign countries.

The deputies' group was charged with developing of the order of deputies' control realization over actions in the field of military and technical cooperation between the Russian Federation and foreign countries [sentence as received]. The Presidium of the Russian Federation Supreme Soviet has charged the government of the Russian Federation to work out and hand in to the parliament a draft law on military and technical cooperation between the Russian Federation and foreign countries. The Presidium of the Russian Federation Supreme Soviet has also decided to set up a post of a counsellor of the chairman of the Russian Federation Supreme Soviet on military and technical cooperation between the Russian Federation and foreign countries. According to a proposal of Sergey Filatov, first deputy chairman of the Russia's Supreme Soviet, a special paragraph was entered into the decree on signature by the commission members of a written obligation on non-disclosure of the state secret.

Hearings on Military's Coup Role Postponed

LD1102141692 Moscow Mayak Radio Network in Russian 1300 GMT 11 Feb 92

[Text] The parliamentary hearings on the role of the command of the USSR Armed Forces in the putsch have been moved from today to 18 February. The reasons for this change in the parliamentary agenda have not been reported.

From unofficial sources ITAR-TASS correspondents have informed us—it has become known to us, excuse me—that the hearings have been postponed in accordance with a proposal by the leadership of the military structures of the CIS and Russia. Possibly, this has been done so as not to aggravate internal Army problems just before the meeting between the CIS heads of states in Minsk, which as you know is set for 14 February.

Parliament Examines Human Rights in Cuba

OW0802180892 Moscow INTERFAX in English 1719 GMT 8 Feb 92

[Transmitted via KYODO]

[Text] A group of Russian parliamentarians has criticized regular human rights violations on Cuba at Saturday's [8 February] parliamentary hearings.

Both Russian citizens and the Cubans opposing the Castro regime took the witness stand during the hearings They said, in particular, that the number of political prisoners in Cuba totalled 40,000 people. Some dissidents confined against their will to psychiatric clinics of Havana and Santiago de Cuba have undergone electric shock and psychodrugs treatment.

Sergey Yushenkov, a member of the parliamentary committee for the mass media, told the audience that calls for the discussion of this complex issue in parliament "encounter serious resistance on the part of the military and industrial complex and numerous bureaucrats who benefit from the preservation of the old, ideological nature of Cuban-Russian relations". He also said Russia, being legal successor of the Soviet Union, should take its part of responsibility for what is going on in Cuba.

Representatives of Russian human rights organizations suggested that economic sanctions and arms embargo be used to exert pressure on the Cuban authorities to respect human rights. They also suggested that a psychiatric examination of Fidel Castro's personality be conducted.

Commission To Discuss Sovereignty Defense Fund

LD1002223592 Moscow POSTFACTUM in English 1957 GMT 10 Feb 92

[From the "Politics" section]

[Text] Moscow—On February 10, at the Presidium of the Russian Federation Supreme Soviet, a commission was set up for expenditure of the means from the republic's sovereignty defense fund.

According to the decree of the Russian Federation Government of August 23, 1991, a non-budget account was opened for donations for liquidation of consequences of the coup attempt of August 19-21, 1991. The account was opened from the republic's sovereignty defense fund. As of November 1, 1991, a sum of R [rubles] 52 million was entered into the account. During the conference work, it was found out that nobody of the members of the Presidium of the Russian Federation Supreme Soviet knows if the fund itself exists. There were some difficulties also with proposals on the use of the money. Sergey Shakhray, vice-premier of the Russian Federation, state counsel on the law policy, proposed that the money be used on solving national problems inside the federation, whereas Yekaterina Lakhova, chairwoman of the committee for problems of women, family, maternity and children defence, proposed that the money be given to help mothers. The Presidium of the Russian Federation Supreme Soviet ordered the commission for expenditure of the means from the republic's sovereignty defence fund headed by Georgiy Zadonskiy, people's deputy of the Russian Federation, to hand in its proposals for expenditure of the means from the republic's sovereignty defense fund in a fortnight time.

Resolution on Aid to Foreign Banks Issued

LD1102001492 Moscow TASS in English 2121 GMT 10 Feb 92

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow February 10 TASS [as received] The Presidium of the Russian parliament on Monday [10 February] told the government and the central bank to ask authorities in other former Soviet republics to provide money for overseas banks, set up with Soviet capital.

In a resolution, titled "On Measures To Stabilise the Financial Situation of Foreign Banks Set Up With Capital of the Former USSR," the Presidium told the Central Bank of Russia (CBR) to review the list shareholders in Soviet-funded foreign banks. It said CBR could take over shares belonging to disbanded Soviet organisations, issued by these banks, until successor-states of the former USSR decide whether they will help the stabilisation effort.

Western banks, set up with Soviet capital, include Moskovskiy Narodniy Bank in London, Donau Bank in Vienna, branches of the Soviet Vneshekonombank and several others.

Officers in Baltics To Receive Passports

LD1002184492 Moscow Programma Radio Odin Network in Russian 0900 GMT 10 Feb 92

[Text] In an exclusive INTERFAX interview with Aleksandr Kotenkov, the deputy chairman of the Russian Supreme Soviet committee for defense and security, it was reported that officers and warrant officers serving in the Baltic states, as well as members of their families, will receive Russian external [zagranichnyy] passports in the next few weeks.

Regional Affairs

Attacks on Military in Chechen Republic Continue

Families of Servicemen Evacuated

LD1002014192 Moscow Russian Television Network in Russian 1700 GMT 9 Feb 92

[From the "Vesti" newscast]

[Text] Today the urgent evacuation of families of servicemen from Chechnya continued. The airlift is being carried out by military air transport planes. As you know, attacks by the local population have continued against military garrisons and arms depots here for several days. Tonight, 20 persons were killed or wounded in the shooting. Arms are being used, including mortars and machine guns, in the course of the attacks. Practically all the military townships on the territory of Chechnya are in a state of permament siege. At least eight armed bands have been formed, which also are terrorizing the local civilian population. The parliament of Checheno-Ingushetia has granted emergency powers to President Dzhakhar Dudayev in view of the situation which has taken shape.

Defense Ministry Denies Evacuation

LD1002015192 Moscow Russian Television Network in Russian 2000 GMT 9 Feb 92

[From the "Vesti" newscast]

[Text] [Announcer] More and more contradictory reports have been coming in from Checheno-Ingushetia over the past few hours. We have already told you in our first bulletin about the airlift in which servicemen's families are being withdrawn from the region. This information from TASS has just been refuted by the Ministry of Defense.

The ministry does, however, recognize the fact of attacks on military garrisons in Checheno-Ingushetia. We contacted Groznyy today, but people are too frightened to even talk on the telephone about what is going. We have tried to summarize what is known to date.

[Unidentified correspondent] The parliament of the Chechen Republic has granted Dzhakhar Dudayev emergency powers. This was brought about by the sharp deterioration in the situation in Groznyy, where attacks have been continuing on military units for several days now. General Dudayev stated today that the conflict was provoked by destructive forces which opppose the consolidation of society.

Reports currently coming in from Chechnya are extremely contradictory. Most observers believe that the attacks on military units are being carried out either by local inhabitants, who are trying to get a hold of weapons that are very expensive and prestigious in these areas; by organized opposition forces; or simply by bandits.

The INTERFAX agency has reported that the military cantonments are defended by national guardsmen. RIA says the direct opposite: According to the agency, Gen. Dudayev's guardsmen have been storming the 15th military cantonment located near Groznyy for more than 24 hours. By midday today one officer had been killed and one soldier wounded. Eight were killed and 20 wounded among the attackers. According to information obtained by the RIA correspondent from the beleaguered cantonment, there are more than 50,000 submachine guns, 45 tanks, and 1,000 tonnes of munitions located there. In the view of specialists, this is sufficient to arm the whole of the northern Caucasus.

[Announcer] That was the summary of reports from Checheno-Ingushetia, which have come in from the news agencies. The Ministry of Defense has told us, however, that there were no attacks on the garrisons today; that in the view of the ministry, there is no need to evacuate the members of servicemen's families at present.

Interior Ministry Troops Leave Groznyy

LD1002111892 Moscow TASS International Service in Russian 1040 GMT 10 Feb 92

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow, 10 Feb (ITAR-TASS)—The officers and men of a regiment of Interior Ministry troops, which has been blockaded for a long time by armed Chechen formations, were withdrawn from Groznyy on 9 February. None of the servicemen was hurt during the redeployment, the ITAR-TASS correspondent was told today at the Russian Interior Ministry Troops press center. The officers and men will continue their duties in Krasnodar Kray, Rostov Oblast, and other parts of the country.

Families of officers and warrant officers are also being sent to the new places of deployment.

Dudayev Orders Curfew, Mobilization

LD1002134992 Moscow TASS International Service in Russian 1136 GMT 10 Feb 92

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy, 10 Feb (TASS)—Chechen President Dzhakhar Dudayev signed a decree on 10 February imposing a curfew on Groznyy city from 2200 to 0600, beginning on 11 February.

The decree places all military units in the Chechen Republic, irrespective of their subordination, on a state of heightened combat readiness. The republican military commissar is instructed to call up for duty reserve servicemen, including Afghan war veterans, border troops, landing forces, and special purpose troops. They are being called up for a term laid down in a decision of the Chechen parliament on granting extraordinary powers to the president—for 30 days.

In Groznyy, the powers of the town directorate of internal affairs have been suspended. All subunits of the internal troops are being transferred to the direct leadership of the republican Interior Ministry. The republican interior minister, together with other law enforcement bodies, has been instructed to work out a provision on the procedure for the use of arms and special means [spetssredstv]. All employees of the law enforcement bodies will be issued with special passes. They are also charged with the duty of reinforcing border controls and ensuring the safe movement of rail transport across the territory of the republic.

The decree does not remove the functions of the bodies of state power, administration, and officials.

Soviet 'Nomenklatura' Behind Events

OW1002175792 Moscow INTERFAX in English 1604 GMT 10 Feb 92

[Transmitted by KYODO]

[Excerpt] The Foreign Ministry of the Chechen Republic has blamed the "remains of Communist and Soviet "nomenklatura" [quotation marks as received] of acting in close cooperation with imperially-minded circles in the Russian leadership to destablize the situation in Groznyy. The Foreign Ministry claims that local crime syndicates are being used for the purpose, too.

The statement received by IF's [INTERFAX] correspondent on February 10 says that "a certain role in the escalation of tension is played by the Russian leadership's reluctance, supported by various excuses, to negotiate the normalization of relations with the Chechen Republic, in particular, the status of CIS [Commonwealth for Independent States] troops on its territory".

The Chechen Foreign Ministry says the "masterminds of such actions are hoping to provoke discontent among the citizens of the Chechen Republic with their leaders and to cause disappointment with the very idea of independence." [passage omitted]

Weapons Depots Surrounded by Minefields

OW1102141692 Moscow INTERFAX in English 1323 GMT 11 Feb 92

[Transmitted by KYODO]

[Excerpt] Maj.-Gen. Petr Sokolov, commander of the Groznyy garrison, has announced that all of the Chechen capital's weapon depots have been surrounded with minefields. In his interview for the press he noted that the announcement was made primarily for the "potential attackers." He also said the entire garrison, including the tank force, had been put on high alert.

The general refuted the media reports about the withdrawal of troops and evacuation of officers' families from Chechniya. "We have our duty to fulfill and are ready to defend the people's interests to the end," he said, and added that I have reached full understanding with the Chechen President Dzhakhar Dudayev and the CIS [Commonwealth of Independent States] armed forces command." [passage omitted]

Cities' Rallies Protest Government Policies

PM1002143892 Moscow PRAVDA in Russian 10 Feb 92 pp 1-2

[Roundup of PRAVDA correspondents' reports: "Working Russia"]

[Excerpts]

Vladivostok [Nikolay Bratchikov report]

In the Square of Fighters for Power of the Soviets in the Far East, before the heat from democratic demonstrations had died down, suddenly a red banner with a picture of Lenin was fluttering again.

I read the posters above the square and watched the speakers' lips: Yes, the protest rally against the policy and course of the Yeltsin and Gaydar government was indeed organized by the Vladivostok Workers' Council and the city organizations of the Russian Communist Workers Party and the League of Communists.

Grief, wrath, and sometimes tears accompanied the speeches from the platforms on how "our society—an honest, industrious, consciencious society—has ceased to build." Factories and plants are producing no output.

Prices for food and consumer goods are staggering: butter is 225 rubles [R] a kilogram, sour cream—R50, beef—R90, milk—R12, sugar—R27. Who is to blame?

That question was posed by Igor Silayev, a "Primorskugol" employee. Other speakers—Potapeyko, Golikov, Tarayeva, Rizantsev, Kapustin, Niganov—seemed to answer him:

"People, rejoice! The socialist system has been destroyed. The multinational family has split, quarreled, and divided. Russia, the Fatherland, which was pieced together like a necklace over the centuries by princes, czars, and communists, has been trampled and abused. The valiant army that shed rivers of its own blood in its own land and abroad has been humiliated. Old people who nurtured the country and raised it from the ruins to cosmic heights are immured in poky little rooms on a subsistence level of R342."

Guests from Kemerovo mounted the platform. A woman had come to try and "extract" at least a little fish for the coal miners. She asked forgiveness:

"We in Kemerovo thought we lived badly, we went on strike for higher wages. But you, here at land's end, are worse off than us. Your counterrevolution is many times worse and more criminal than ours."

She called on working people from the shores of the Pacific Ocean to Moscow to stand shoulder to shoulder and keep their eyes open to ensure that the counterrevolution does not finally secure power. As if in reply to the woman from Kemerovo, the rally organizers read out and put to the vote a "resolution" whose three main points were these:

1. Restore soviet power, to be formed by the labor collectives.

2. Stand firm on the path of renewal on the basis of socialist social relations.

3. The present government must resign.

The square voted: "for"—a whole forest of hands; "against"—four people.

Voronezh [Valeriy Stepnov report]

Even in the hot days of August, imperturbable Voronezh had no such large rallies as this one on a cold Sunday, 10 February. As if awakened from hypnosis, thousands of city dwellers and representatives of rural rayons took their places under the red banners of the struggle for survival and for the country's honor and dignity.

A resolution adopted at the rally, apart from economic demands for working people to be guaranteed a minimum living wage, also contains political demands. Chief among them is the demand for the resignation of the Russian president and government. Patience has snapped, and stocks of confidence have run out.

Rostov-na-Donu [Marlen Kryukov report]

People arrived with placards and banners. They read: "Down with ruinous prices!", "Lenin's party lives," "The army and people are united," "Don't stifle the kolkhozes and sovkhozes—they feed us," "No to civil war."

"How did life get to be like this?" writer Anton Gerashchenko asked. "Glasnost has turned into the complacent word pluralism, with an equals sign—once again, you can only say what suits the present government. When Ryzhkov raised prices by 2-3 percent, Yeltsin said that there is an alternative program, that prices need not be increased, and that he will throw himself onto the railroad track before that happens. But prices have increased 10-fold and 40-fold. The Soviet Union has disintegrated despite the referendum in which we took part. What have we achieved? Property that belongs to us all is being stolen. The army has been slandered shamefully."

Those present chanted the words of the song: "Arise, vast country...." [Kryukov ends]

[Unattributed passage] Protest rallies against the economic reforms being pursued by the Russian Government also took place in Bryansk, Volgograd, Izhevsk, Kazan, Kirov, Krasnodar, Novosibirsk, Omsk, Samara, St. Petersburg, Tver, Yaroslavl, and other cities of Russia.

Rallies Protest Reform, Price Liberalization

PM1102101192 Moscow IZVESTIYA in Russian 10 Feb 92 Morning Edition p 1

[Untitled ITAR-TASS report under general headline: "Freedom Is Freedom—But Rallies Will Not Fill You up"]

[Text] Chelyabinsk—"Free Urals" versus "Working Chelyabinsk." This combination of words, which is so absurd from the commonsense viewpoint, encapsulated the essence of a rally held today in the oblast center. Supporters of the "Working Chelyabinsk" movement, which basically unites parties of a communist persuasion, obtained permission to hold this rally one day in advance. Before the appointed time, pickets sent by the social democrats and supporters of the "Free Ural" movement appeared at the meeting site with the obvious intention of spoiling the communists' event.

Kirov—A rally of protest against the economic reform being implemented by the Russian Government was held today in Kirov. It was organized on the initiative of the local section of the "Justice" party in support of demands being made by the "Working Moscow" movement. Some 200 people gathered at the rally and demanded that legal proceedings be instituted against the leaders who are to blame for the country's collapse.

Kazan—A protest rally has been organized today by the Kazan "Workers Union," at which about 100 people gathered. Those who spoke at the rally—elderly pensioners in the main—talked of the sorry fate that befell them when prices were liberalized and appealed for activity to be stepped up to the extent of holding "hunger demonstrations." The participants at the rally adopted a resolution demanding that prices be frozen, salaries raised, and workers control strengthened "from bottom to top."

Pro-, Antigovernment Forces Rally in Penza

LD0902232892 Moscow Radio Rossii Network in Russian 2100 GMT 9 Feb 92

[Text] A mass rally took place in Penza on 9 February. It was organized by the Democratic Russia Movement. Various political forces were represented in the rally. One could see the tricolored Russian flag next to the red banners of the former Union. Speakers made demands ranging from an appeal to support Gaydar to the demand that he resign. Participants of the rally demanded that the Penza authorities resign. According to the Democratic Russia activists, the authorities are carrying out privatization in the interests of the local nomenklatura.

Regional Paper: Yeltsin 'Troubled' by Prices

MK1102082592 Orel TSENTRALNAYA ROSSIYA in Russian No. 5 31 Jan-6 Feb, signed to press 29 Jan 92 p 3

[Own correspondent Ye. Zakharov report: "B.N. Yeltsin: 'This Is Not the Market, but a Mockery of the Market'"]

[Text] The people of Bryansk had been waiting for a visit from the Russian president since last year; therefore, on being met at the airport by the oblast's leaders and journalists, B.N. Yeltsin said first that he felt greatly beholden to the people of Bryansk. The main purpose of the visit immediately became clear. Boris Nikolayevich was interested in two highly important issues: how the program to eliminate the consequences of the disaster at the Chernobyl nuclear electric power station is going, and how economic and social matters are being tackled.

Within a matter of minutes the president and his entourage got into a helicopter and left for Novozybkov. There B.N. Yeltsin visited a hospital complex, stopped by a food store, and spoke to residents on the street and city and rayon leaders in the House of Soviets. Boris Nikolayevich was clearly surprised and troubled by the excessively high price of sausages and butter (148 and 102 rubles [R] per kilogram respectively). He described as a provocation the switch to producing costly smoked sausage instead of boiled sausage. Resolute, tough measures were not long in coming: V.A. Barabanov, acting head of the oblast administration, was instructed to relieve A.G. Kachanov, director of the Novozybkov meat combine, of his post.

In the president's opinion the work on eliminating the consequences of the Chernobyl accident is extremely unsatisfactory. A vast sum—R1.8 billion—was specially allocated for this purpose, but only two-thirds of the money has hitherto been assimilated—for which the leaders of Goskomchernobylya [State Committee on Chernobyl] are to blame. S.S. Voloshchuk, the committee's chairman, was given a warning and S.A. Akhremenko, his deputy, was taken off the job. The number of the state committee's personnel will be reduced.

In the evening B.N. Yeltsin returned to Bryansk. He was not pleased with the contents of food stores here either. Salespeople told him that prices are still being fixed from above. "This is not the market, but a mockery of the market," Boris Nikolayevich snapped in response, and a little later ordered trading organizations [torgi] to be wound up within the week. At a meeting with townspeople in the main square, he urged: "Support the president and the president will support you."

He had a thorough discussion in the acting administration head's office (curiously, B.N. Yeltsin asked for his picture to be taken down off the wall). They discussed high prices, the local authorities' inefficiency [nerasporyaditelnost], the slow progress of privatization, the division of property into oblast and municipal property, and other problems. At this meeting, the president signed an order for the Bryansk area to be given as a free gift a mobile radiometric laboratory worth $150,000.

Taking his leave of the city's residents, Boris Nikolayevich promised that in the latter half of the year the economic situation in the country would stabilize if "we work together and support one another."

The president's decisive actions and statements impressed those who hope in the old way that "the master will come along and settle our troubles." However, B.N. Yeltsin is one man and there are countless cities, so, for all that they are necessary, these "walkabouts" will change little per se. Was it really necessary to wait for a visit from the head of state to decide to abolish the trading organizations? On the other hand, it was clear that the president is not briefed well enough about the state of affairs and, in particular, about the price situation. No, nothing is easier than removing the director of a meat combine from his post (even if he deserves it), but this is just a measure, like the show trials of the administrative-edict system. We need to move on to a new kind of economic mechanism rather than have the president lay on a firm hand. B.N. Yeltsin undoubtedly realizes that. Are people in towns like Bryansk, where nomenklatura traditions are strong in soviets of all levels, aware of that too?

Muscovites 'Mentally Ready' for Privatization

*MK1102103392 Moscow KURANTY in Russian
11 Feb 92 p 2*

[Nikolay Kuznetsov report: "Young People Choose Private Operator"]

[Text] At the beginning of February the Moscow Sociological Agency and the Russian Academy of Sciences Sociology Institute conducted a telephone poll among 1,000 Muscovites. Sergey Kolobanov was in charge of the study.

Among the questions of interest to the scientists was the question of the kind of enterprise that Muscovites would choose when job-hunting as regards the form of ownership. One-fourth of those polled head for state enterprises and establishments, 27 percent prefer private enterprises and individual enterprise, one-fifth prefer foreign firms and joint ventures, while roughly one in 10 of Muscovites polled prefer enterprises with mixed ownership. Older people and state industry workers more often express a desire to work in state enterprises, while young people under the age of 30 as well as people under the age of 45 (35-43 percent) choose a private firm.

These data indicate that there are good prospects for market relations in our country and that the state can divest itself of any of the trouble of managing production. In other words, Russians are mentally ready for the incipient privatization.

U.S. 'Guests' To Control Tver Aid Distribution

*LD1102001992 Moscow TASS in English
1313 GMT 10 Feb 92*

[By ITAR-TASS correspondent Aleksandr Kharchenko]

[Text] Tver February 10 TASS—Over 70 tonnes of medicines, medical equipment and baby food arrived in Tver today aboard two U.S. aircraft.

The aid will be distributed by a joint commission consisting of local officials and U.S. representatives.

"We badly need this aid. Our task is to make sure it reaches those who need it," Svetlana Vinogradova, executive director of the local fund of social support, told ITAR-TASS.

She stressed that the U.S. guests will be allowed to control the distribution and use of medicines and food.

Tatarstan Discusses Privatization, Name Change

*LD1002201592 Moscow POSTFACTUM in English
2012 GMT 7 Feb 92*

[From the "Politics" section]

[Excerpt] On February 7, Tatarstan Supreme Soviet approved the law on personal privatization accounts and deposits in the Tatar SSR [Soviet Socialist Republic]. Ivan Grachev, the author of the law, a leader of the People's Power Parliamentary Faction, said that the law will come into effect, starting from March 1, 1992. Russian Federation savings-bank book forms will be used as privatization books. Deputies also considered and approved laws on changing the name of the Tatar Soviet Socialist Republic and introducing appropriate amendments in the constitution [basic law] of the Tatar SSR and on introducing amendments in the TSSR constitution in connection with the adoption of the state emblem of the Republic. Under the laws, TSSR shall change its name to the Republic of Tatarstan [Tatarstan], and the Tatarstan state emblem shall represent a winged snow leopard, having a buckler at its side, with its front right paw uplifted, having as a background the sun disc set off with a national Tatar ornamental pattern, on a pedestal with the word Tatarstan. Following discussion, the legislature approved a resolution. [passage omitted]

Power Structures, Jurisdiction Viewed

OW0802050492 Moscow INTERFAX in English 1935 GMT 7 Feb 92

[Transmitted by KYODO]

[Text] The draft resolution of the recent Kurultai (Congress of Tatar Peoples) contains a number of provisions proving the Milli-Mejlis's (national congress) claim to power, reported the chairman of the Tatar Supreme Soviet Farhid Mukhametshin, speaking at a session of the Republican parliament Friday [7 February].

Mukhametshin also stated that one of the documents demands that the deputies of the Milli-Mejlis be equated with the peoples deputies of Tatarstan and participate in the session of the Supreme Soviet with one voice. According to Mukhametshin this goes beyond the "cultural function of the Milli-Mejlis".

In addition the chairman of the parliament confirmed the right of the Tatar people to convene the Kurultai and form the Milli-Mejlis to decide problems of language, culture and education.

The Supreme Soviet of Tatarstan declared "the attempt to solve the questions of national, economic, and social development of the multi-ethnic republic of Tatarstan via unconstitutional methods is intolerable."

Speaking at the session the chairman of the Milli-Mejlis Talgat Abdullin, stated that the Kurultai has the right to "take its own normative actions". He based his position on the right of the people to self-determination and added that the ultimate goal of the Kurultai is to create an independent Tatarstan capable of defending all Tatars in the CIS [Commonwealth of Independent States].

Budget, Treaty With Russia Discussed

LD1102030692 Moscow POSTFACTUM in English 1333 GMT 7 Feb 92

[From the "Politics" section: "The Tatarstan Supreme Council Session Continues"]

[Text] Kazan—On February 6 the Tatarstan Supreme Council adopted as a basis the draft law on the order of forming the budget pending a treaty with the Russian Federation. During the discussion of the draft law on the order of forming the republican budget of the Tatar SSR [Soviet Socialist Republic] pending a treaty with the Russian Federation the main argument was caused by a passage in Article 1 specifying the amount of the Tatarstan VAT [value-added tax] payments into Russia's budget. The deputies demanded to be given calculations proving that the figure indicated in the document was accurate. No calculations were given. President of Tatarstan Mintimer Shaimiyev proposed a compromise making the amount of payments conditional on the Russian Federation's spendings on Tatarstan registered at the moment in question. This allowed the draft to be adopted as a basis.

Presenting the draft law on the budget system of the Republic of Tatarstan for the first quarter of 1992 Tatarstan's Finance Minister Dmitriy Nagumanov said: The budget does not meet the republic's actual monetary needs. ... [ellipses as received] The budget was formed within the program indicators determined by the budget system of the Russian Federation. According to Nagumanov, after another round of talks with the Russian Federation, Tatarstan will have an opportunity of forming the 1992 budget based on other principles.

Chairman of the Tatarstan Supreme Council Plan and Budget Commission Geliy Kobelev, making a co-report, said that the deficit-free budget for the first quarter adopted by the Russian Federation Supreme Council and recommended by the Tatarstan finance minister was none other than a conventionality, a figment of well-being. The republic's budget deficit for the first three months of this year was to run into at least R696.9 million [rubles], said Kobelev. Kobelev suggested that instead of adopting the draft law on the budget system of the Republic of Tatarstan for the first quarter of 1992 adopted should be a Supreme Council resolution allowing the government to finance the republic's economy in the remaining weeks of the first quarter. The deputies having agreed, the editing commission started drawing such a document. On February 7 the Tatarstan Supreme Council session continues.

Foreign Economic Policy 'Concept'

OW0802162592 Moscow INTERFAX in English 1455 GMT 8 Feb 92

[Transmitted by KYODO]

[Text] Tatarstan's vice-president Vasiliy Likhachev told IF [INTERFAX] the republic is beginning to work out a concept of its economic and political ties with foreign countries. The concept will take into account the republic's ethnic composition, its Muslim and Russian Orthodox components.

According to vice-president Likhachev, Tatarstan's foreign economic ties have reached a stage when the question of foreign investments into its economy is under discussion and not just barter transactions.

At first stage, he stressed, Tatarstan does not intend to extend a priority treatment to any country. Its ministry for foreign economic relations will be composed of specialists who are able to do business with both the West and the East.

Recent talks in Moscow with officials from the U.S. embassy in Moscow focused on bilateral political and economic relations. Mr. Likhachev believes that the United States and Tatarstan may reach an agreement at the level of governments. He plans to discuss this possibility during his visit to Florida at the end of February.

Transfer of Law Bodies Declined

OW0802182692 Moscow INTERFAX in English 1719 GMT 8 Feb 92

[Transmitted by KYODO]

[Text] The parliament of Tatarstan has declined to immediately transfer law-enforcement bodies under the republic's jurisdiction as Fandas Safiullin, a member of the parliament's presidium, proposed.

The question of jurisdiction was raised in connection with a criminal case brought by the Russian Federation against former first secretary of the Tatar Communist Party organization Revo Idiatullin for cooperating with the state committee for the state of emergency. According to Safiullin, such actions by Russia amount to a gross interference into Tatarstan's sovereign affairs.

Faction Leader Criticizes Privatization Plan

OW0802050592 Moscow INTERFAX in English 1935 GMT 7 Feb 92

[Transmitted by KYODO]

[Text] The leader of the parliamentary group "Tatarstan" Talgat Abdullin criticized the law on privatization passed by the Republic's Supreme Soviet. Speaking at a session of the Tatar Supreme Soviet Abdullin stated that his faction does not approve of concentrating executive functions and the privatization fund in the hands of the State Committee on the Management of Government Property.

The group believes that ownership will fall into the wrong hands, especially in the villages where people lack financial resources. In addition, the group demands that ownership be denied to foreigners, including CIS [Commonwealth of Independent States] nations and Russia.

One of the leaders of the group "Soglasie", Ivan Grachev characterized Abdullin's demands as reminiscent of "imposed settlement of the nation" of Tatarstan. Grachev was in full support of privatization in the republic.

International Affairs

Fokin Appeals To UN Over USSR Assets

LD1102130192 Moscow TASS International Service in Russian 1010 GMT 11 Feb 92

[By ITAR-TASS correspondent Nikolay Maslov]

[Text] United Nations, 11 Feb (TASS)— In the international community headquarters yesterday an appeal was published from Ukrainian Prime Minister Vitold Fokin to world financial circles, requesting that implementation of Russia's rights of ownership to the property of the former Union of the USSR should be suspended until this property has been divided up in practice between the successor states. The document points out that at the end of last year the Interstate Council of the Commonwealth of Sovereign States decided to halt the current operations of the USSR Foreign Economic Bank, an act which greatly damaged the Ukraine's economic interests. The letter emphasizes that the activities of the Interstate Council are in effect at variance with the provisions of the treaty on succession in regard to the debts and assets of the USSR.

Government 'Grateful' to U.S. for Aid

LD1102001192 Moscow TASS in English 2119 GMT 10 Feb 92

[By UKRINFORM-TASS correspondent Aleksey Trotsenko]

[Text] Kiev February 10 TASS—Sixty tonnes of medicines and medical equipment were delivered to the Borispol airport, Ukraine, by an American aircraft of the U.S. Armed Forces today. The humanitarian aid will be distributed among medical institutions of the Ukrainian capital and the Kiev region.

"We are grateful to the U.S. leadership for this gift. It is very important that the American side took into consideration our wishes and delivered medicines which Ukraine needs so badly", deputy head of the Ukrainian Government, Sergey Komisarenko, said.

John Stepanchuk, first secretary of the U.S. Embassy to Ukraine stressed that two more planeloads of medical equipment will be delivered to the Ukrainian capital over this week. Another two flights with humanitarian aid will be made to Lvov and one to Kharkov, Stepanchuk added.

Iranian Foreign Minister on Oil, POWs

AU1002132592 Kiev URYADOVYY KURYER in Ukrainian No. 4 (50) Jan 92 p 2

[INFORM-KURYER report: "Iran Is Near at Hand"]

[Text] A delegation from the Islamic Republic of Iran visited Kiev. It was headed by Dr. 'Ali Akbar Velayati, minister of foreign affairs, who personally handed a message from the Iranian president to the Ukrainian president, L.M. Kravchuk.

A meeting with K.I. Masyk, first vice premier, also took place. A wide range of questions dealing with cooperation was discussed, from the participation of Ukrainian builders in the construction of facilities on Iranian territory to the resolution of quite a number of transport-related issues that exist between the two countries. Possibilities of Iranian oil and gas supplies to the Ukraine and of deliveries, through our territory, to some European countries were discussed.

During negotiations with Ukrainian Foreign Minister Anatoliy Zlenko, the question of Iranian assistance in releasing Ukrainian citizens being held by mujahidins was discussed. According to the list prepared by the Ukrainian Union of Afghan War Veterans, there are 79 such persons. The guests expressed their willingness to do everything to promote this humanitarian action.

German Embassy Opens; Envoy Comments on Ties

LD1002163392 Kiev Radio Kiev in English 0100 GMT 10 Feb 92

[Text] An embassy of the Federal Republic of Germany has opened in the building which earlier housed the consulate of this country. Speaking before journalists, the acting charge d'affaires of the FRG in Ukraine, Hennecke Graf von Bassewitz, stated that he hopes that thanks to the opening of the embassy improved would be cooperation for peace in Europe and mutual understanding of nations. [sentence as heard]

Diplomat Views Relations, Treaty With Austria

AU0702163192 Vienna DIE PRESSE in German 7 Feb 92 p 4

[Burkhard Bischof report: "'Very Exciting Times' for Yuriy Kostenko; Mammoth Tasks for Kiev's Representative in Vienna"]

[Excerpt] Vienna—[passage omitted] As regards relations with Austria, Ukrainian Charge d'Affaires Yuriy Kostenko hopes for a continuous increase in the political and economic sphere. However, he is particularly interested in opportunities for development in the cultural field: "In the western Ukraine in particular, the people still feel particularly close to Austria. Despite trying for many years, the former state power in Moscow was not able to eradicate the western Ukrainians' historical memories." Naturally, the Ukrainian representative hopes that Austria will make good use of the opportunities that arise from this situation.

In conclusion, Kostenko is asked whether he sees any problems if the Russian Federation also becomes the legal successor of the former Soviet Union to the state treaty: "According to my information, this issue has been discussed neither by the government nor by the

Foreign Ministry in Kiev so far. I think I know why: The Ukraine has just been born, it is a young state that must look toward the future and not back to the past. And the state treaty goes back to the past. No one in Kiev is interested in interfering and blowing up the treaty. In addition, we have totally different problems at the moment. Once again: We want to build and strengthen our relations with Austria, but certainly not via the state treaty."

Diplomatic Ties Established With Vatican

LD0902044092 Moscow TASS International Service in Russian 1339 GMT 8 Feb 92

[By ITAR-TASS correspondent Aleksey Golyayev]

[Excerpt] The Vatican, February 8 (TASS)—The Vatican and the Ukraine established diplomatic relations today. The Holy See will be represented in Kiev by a papal nuncio, and the Ukraine here by an ambassador. It is being pointed out here that the establishment of diplomatic relations signifies de facto recognition of the Ukraine by the Vatican, which has not been reported previously. [passage omitted]

Joint Protocol Signed on Bolivian Relations

LD1002162992 Kiev Radio Kiev in English 0100 GMT 10 Feb 92

[Text] A joint protocol has been signed in Kiev on the establishment of diplomatic ties between Ukraine and Bolivia. The protocol was signed by the foreign minister of Ukraine, Anatoliy Zlenko, and the ambassador of Bolivia in Moscow, Javier Murillo de la Rocha. Talks on bilateral cooperation took place after the signing ceremony.

National Affairs

Futher on Kravchuk 6 Feb News Conference

PM0702160992 Moscow KOMSOMOLSKAYA PRAVDA in Russian 7 Feb 92 p 1

[Unattributed report "From speech by Ukrainian President L. Kravchuk at news conference in Kiev 6 February": "What Kravchuk Said"]

[Text] **...On Resettling Germans in Ukraine**

I should stress that I am not inviting the Germans to the Ukraine. Before the war Germans, numbering roughly 400,000, lived here in five oblasts. I do not believe that the situation in, say, Crimea, could be exacerbated by their return. The Crimean Tatars have no grounds, nor can they have any grounds, for objecting to settlers. If all the other deported peoples have the right to the restoration of historical justice, the Germans too have that right.

Authorized representatives of Chancellor Kohl will shortly be coming to Ukraine, and we will decide with them in contact with the Ukrainian-German Foundation and the "Revival" Society how best to act for both sides.

...On the Black Sea Fleet

There are differing standpoints on the fleet. Some say that it can be divided, others that it is impossible. We, however, are committed to positions of principle. The Black Sea should not have a large fleet, let alone an atomic one. This is a closed basin exit from which is monitored by NATO. To speak about the might of the Black Sea Fleet is an exaggeration. In this context we plan that all atomic weapons will be removed from the ships and moved outside Ukraine by July. Will the fleet then really continue to be regarded as strategic? Yes, Admiral Kasatonov repeats that the Black Sea Fleet must be strengthened. However, there is nothing to strengthen it with. The ship currently in the dockyard at Nikolayev will not leave the slipway. It is to be broken up—there are no resources. For the time being the region has simply become a recreation center for military commanders serving in the northerly seas.

...On Unified Armed Forces

The creation of unified Armed Forces when there are 11 powers in the Commonwealth will be the end of everything. Who will head such an army? A military man. And who from among the civilians? Must Yeltsin and Kravchuk seek to reach agreement between themselves? They will not reach agreement. The military will thus concentrate in its hands the most dreadful force and power and will lead you by the hand where you all have no wish to go. Army institutions must be at local level and be subordinate to their own presidents.

Sailors Take Oath Despite Command Ban

LD1002195892 Kiev Radio Kiev Network in Ukrainian 0600 GMT 10 Feb 92

[Excerpt] Black Sea Fleet servicemen in Nikolayev have taken the oath of allegiance to the Ukraine. Our correspondent Petro Tolochek reports.

[Tolochek] To begin with, it must be emphasized that this was not easy to do because it is not permitted to take the Ukrainian oath either in military units or on ships. An unofficial prohibition by the Black Sea Fleet command or, to be more precise, by Kasatonov, is in force. They carefully watch to make sure that this ban is complied with and that Navy servicemen, God forbid, do not take the oath to the Ukraine. Therefore, Navy servicemen decided to gather in the center of the city near the monument to soldiers of airborne troops. However, few managed to come here—mostly ensigns, warrant officers, and some officers—and only those who had permission to go to the city, something that rank-and-file servicemen on active duty could not even dream about. For instance, those in the Naval Communications College have not been allowed to leave the college for nearly four months. On warships, particularly the Slava cruiser, which is now being repaired in Nikolayev, similar things happen. In short, sailors are not allowed ashore. To justify such actions, rumors are being spread that two officers were killed in the city. Still, the breakthrough has been made: 67 servicemen from the Black Sea Fleet have taken the oath of allegiance to the people of the Ukraine. Senior Warrant Officer Hryhoriy Mykolayovych Prestynskyy is among them.

[Begin Prestynskyy recording] Well, I am a son of this land and I believe that I have to take the oath to the people of the Ukraine as there will be no Soviet Union any more, as I understand it, and it does not exist at present. Every person living here wants the Ukraine to be (?rich). There is a president, a parliament, and a defense minister. Therefore, we made our choice. Six people took the oath in our unit today. [Word indistinct] that people are afraid to take the oath. The unit commander has categorically prohibited the taking of the oath. [passage omitted] [end recording]

Boris Ryabov Appointed First Rear Admiral

LD1002221192 Moscow Mayak Radio Network in Russian 1800 GMT 10 Feb 92

[Text] Boris Petrovich Ryabov has become the first rear admiral in the Ukrainian Armed Forces. He heads the naval directorate of the state committee for the defense of Ukrainian state borders. He is also the deputy chairman of this committee and deputy commander of the Ukrainian border troops.

Military Publications Staff To Be Reduced

LD1002192992 Moscow POSTFACTUM in English 1752 GMT 7 Feb 92

[From the "Military News" section]

[Text] There have been reports that the staffs of military papers are to be reduced. According to information from well-informed sources, meeting on February 6, with the managers of VOENNY ZHELEZNODOROZHNIK [Military Railwayman] publishers and the staff of the former national paper of the same name, Colonel Timophey Belikov, chief of the railway troops press-center, announced that the staffs of certain military publications are to be reduced considerably, which, in the opinion of the journalists, will tell on the quality and regularity of the editions. According to the official, the Ukranian defence ministry is reducing the number of applicants to be accepted to the Lvov military college [the former Lvov higher military-political school] where most of the army journalists are trained.

Kravchuk Decree Exempts Arts From Taxes

LD1002175392 Moscow Mayak Radio Network in Russian 1500 GMT 10 Feb 92

[Text] A decree on urgent measures for the social protection of those active in literature and art during the transition to market relations has been issued by Ukrainian President Leonid Kravchuk. Starting this year, all the republic's creative unions and the enterprises and organizations founded by them are exempted from income tax and contributions to special funds.

Currency, Commercial Board Set Up for Railways

LD1002182492 Moscow TASS in English 1006 GMT 10 Feb 92

[By UKRINFORM-TASS correspondent Miron]

[Text] Lvov February 10 TASS—All money earned by railwaymen through the transportation of transit goods and the transportation and forwarding servicing of foreign trade deliveries will now remain in Ukraine.

By a decision of the republic's State Administration of Railway Transport, a currency and commercial board has been set up here. The board has been granted the right to independently tackle the forwarding of export and import goods and monitor the receipt of all due payments.

In Lvov, there are excellent specialists on international monetary settlements and the review of currency claims while the proximity of the border makes it possible to expedite mutual settlements by far.

A basis has also been established here for the application of electronic computers in financial operations. In a number of countries—Poland and Czechoslovakia, for example—similar organisations are headquartered in border towns.

There are more tangible reasons, too. Last year the Lvov railway earned about 50 million Swiss francs for railway car gauge-switching operations, the transshipment of transit products and raw materials, the transit of foreign trains and other services, i.e., gained a wide experience in earning foreign exchange currency.

But, unfortunately, it received only 170,000 Swiss francs out of the huge sum. The rest of the money wound up in Moscow where the Ministry of Railways bossed the show. From now on, the currency and commercial board itself will be able to form currency funds.

A similar state of affairs has developed in passenger transportation. In 1991, the former Ministry of Railways owed large sums of money to foreign partners. A suit claiming more than 40 million U.S. dollars has been brought against Ukraine. The debts should be repaid. This is why the board will also tackle the sale of foreign travel documents to citizens for freely convertible currency in cash.

Commentary Criticizes Economic Policy

AU1102130992 Kiev URYADOVYY KURYER in Ukrainian No. 4 (50), Jan 92 p 2

[Commentary by Leonid Samsonenko: "What Kind of Market Is It Without Goods?"]

[Text] The results of the first weeks of price liberalization have shown that the forecasts were justified: Contrary to expectations, the consumer market has not become filled with goods. Commodity production is on the decline and the settlement of payments between enterprises has been hampered. The increase in wages on the eve of the liberalization to an average of up to 3,000 rubles [a month] in Russia and the fact that it was impossible, owing to the shortage of cash, to implement this measure in the Ukraine have placed the manufacturers on an unequal footing. No economy will survive in a situation in which it needs to pay several times more to purchase things than it receives for selling. It is common knowledge that, under such conditions, stagnation starts in production, trade, and so on.

In the opinion of Volodymyr Pylypchuk, chairman of the Permanent Commission for Questions of Economic Reform and Management of the National Economy, it is impossible to manage an economy unless one has one's own money. According to him, the government and the National Bank of the Ukraine ressemble children playing with a grenade. The explosion of this grenade will take the form of mass social disturbances, the economy will come to a standstill, and "foodstuffs" plundering and robberies will ensue. The indecision on the part of the Ukrainian Cabinet of Ministers with regard to introducing the national currency is based upon the absence of the balance of exports and imports of commodities at world prices.

It looks like recent political events in the countries of the Commonwealth and the failure by Russia to supply 10 billion "wooden" rubles have led the president and the government to give up rubles and to partially transfer the function of money to multiple-usage coupons. As Anatoliy Stankov, deputy chairman of the Ukrainian National Bank, asserts, at present, more coupons are being issued than there are rubles in wages. Consequently, there must be enough coupons until money incomes are fully converted to the new currency, more specifically, until the Ukrainian currency—hryvna—is introduced. Specialists believe that the present introduction into circulation of what may be referred to as "surrogate money"—the coupons—will enable the Ukraine to reliably seal the consumer market, to halt the process of money emission, and to partly patch up the "hole" in the state budget. However, the coupons will only circulate on the domestic market and will not have a long life span in the economic vacuum.

It must be admitted: The liberalization of prices and the introduction of a new monetary unit have not taken us an inch closer to the market. The reason for this is that, taken outside the framework of the complex of measures expected to guarantee the transition from the administrative to market economy, they do not stimulate commodity production. For example, the introduction of the trade increment [torhova nadbavka] has led to a situation in which trade resolves its problems by setting high prices for the commodities. This leads to a decrease in production, as does the introduction of value added tax on those foodstuffs that have traditionally been subsidized by the state. It is undoubtedly necessary to finance social programs, but not at the expense of the consumer who buys butter, sour cream, or cheese. While saving kopecks today, we may, tomorrow, lose thousands as a result of the deterioration in the people's health. The economy should not be normalized at the expense of the consumer's pocket alone. However, the recently implemented taxation system leads to precisely this. High taxes will stifle the development of the economy and the manufacture of goods. What kind of market is it if there are no commodities?!

We would like to believe that the measures elaborated by the government will resolve the present problems. Let us hope that the destatization of property, the freedom of enterprises, the commercialization of trade and of banking, which it is planned to implement very soon, will trigger real market levers.

Ex-KGB Employee To Develop Foreign Policy

LD1102005992 Moscow Radio Rossii Network in Russian 2100 GMT 10 Feb 92

[Summary] The KHARKOV NOVOSTI news agency reports that Chernyavskiy, deputy head of the Institute of World Economics and International Relations of the Ukrainian Academy of Sciences, and a former KGB employee, who used to fight Ukrainian bourgeois nationalism, will now develop the foreign policy strategy of independent Ukraine.

Investigation Agency's Hiring Plan Noted

LD1002230392 Moscow POSTFACTUM in English 1957 GMT 10 Feb 92

[From the "Business News" section]

[Text] Rostov-on-Don—The private investigation agency Stells is ready to admit Ukrainian security officers who refused to take an oath of allegiance to the new power.

This was told to PF [POSTFACTUM] on February 10 by Anatoliy Khodryev, general representative of the agency in Rostov-on-Don. According to him, recently the officers of the former Ukrainian KGB from the areas that are situated near the Rostov region have been actively replaced by people "who are loyal-minded to Kiev". Khodryev supposes that the movement Rukh was the initiator of these personnel changes. In this way, this movement is trying to consolidate its influence in the law-defending organs. Khodryev said that sacked officers from the Ukrainian KGB had not applied so far to Stells.

The general office of Stells agency was set up in Rostov-on-Don on July 4, 1991, as a subsidiary of the headquarters in Moscow. The agency is engaged in helping retired and sacked officers of the state security and interior organs. Besides, it does investigation work, intellectual property defense and marketing.

Donbass Rebirth Movement Opens Congress

LD1002163192 Kiev Radio Kiev International Service in Ukrainian 2300 GMT 8 Feb 92

[Text] The constituent congress of the Movement for Rebirth of Donbass has opened in Donetsk. Representatives of business circles, intelligentsia, trade unions, parties, and public organizations are taking part in the work of the congress. They will discuss possibilities of influencing the formation of market relations. The initiators of holding the congress intend to confirm the desire of Donbass to live in the Ukrainian state.

Supreme Soviet Orders Epidemic Investigation

LD1002183792 Moscow TASS in English 1609 GMT 10 Feb 92

[By UKRINFORM-TASS correspondent Vladimir Palekh]

[Text] Chernovtsiy February 10 TASS—The new commission, which has just completed its work here, was unable to confirm or deny the already made expert conclusions on the reasons for the August 1988 alopecia epidemy in Chernovtsiy, which had afflicted hundreds of children.

On instructions from the Ukrainian Supreme Soviet, the republican Health Ministry and the Ukrainian Academy of Sciences have set up this commission to look thoroughly into the matter.

The perfidious disease not only produced baldness, but caused serious functional disorders also. Its aftermaths are still being felt, keeping both children and adults in constant tension. Since the reasons of the disease have still not been learned (most credible is the chemical version), it is feared that the epidemy may reoccur.

The commission included scientists, practicing medics and ecologists. They have again summed up all the previous studies and analysed the medical records of the patients. The conclusions, drawn by the previous government commission, experts believe, are scientifically unfounded and have failed to withstand the test of time. Unfortunately, experts of the World Health Organisation, who worked in Chernovtsiy, were also unable to solve the problem.

The commission gave several recommendations to improve the sanitary situation in the city. It suggested, for instance, the creation of a children's medico-ecological dispensary. The nutrition of former alopecia patients will be improved and they will be provided with necessary medicines. Measures are being elaborated to improve the health of children at special sanatoria, rest homes and boarding houses.

Housing for Chernobyl Residents Not Complete

LD1002204292 Kiev Radio Kiev in English 0100 GMT 10 Feb 92

[Text] The state program of resettlement of the residents of the Polesye region which belongs to the Chernobyl zone has failed. This was told to our correspondent by Yuriy Volonets, functionary of the ministry for liquidation of consequences of the Chernobyl catastrophe. By this time only 10 percent of the previously planned housing has been built because of the shortage of the construction materials.

Moldova

Snegur Interviewed on 'Live Dialogue' Program

LD1002131992 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1215 GMT 9 Feb 92

[Interview with Moldovan President Mircea Snegur from a studio in Kishinev with the assistance of (Adrian Usatyy), general director of Moldovan National Radio and TV, by NEZAVISIMAYA GAZETA Observer Sergey Parkhomenko and MOSKOVSKIYE NOVOSTI observer Lyudmila Telen, in the Ostankino studio in Moscow, with questions phoned in from the viewing audience; from the "Live Dialogue" program—live]

[Excerpts] [Parkhomendo] Hello, Mr. President. [video shows Snegur on a television monitor] I am glad to see you. I hope you can hear us well. To enable viewers to get to know you a bit better, I will first read out some biographical details. Do correct me if I get something wrong.

Mircea Snegur was born into a peasant's family in northern Moldova. He is 51 years old. [passage omitted on biographical details] On 9 December 1990 he was elected president of the Republic of Moldova. Mircea Snegur was the only candidate, and he received the votes of 98.2 percent of those who took part in the voting, out of 2.4 million electors.

Regarding the republic, I would like to tell you that the Russian-speaking population makes up 35 percent of the 4.5 million inhabitants of Moldova; this undoubtedly affects the internal political situation. Finally, Mircea Snegur is known to advocate the reunification of Moldova with Romania in the future, and he is in favor of changing Moldova's written language to the Latin alphabet.

The People's Front of Moldova criticizes Snegur, demanding an immediate reunification with Romania. Mr. President, I have been watching your reaction. You shook your head with condemnation several times—obviously I made a few mistakes—but in one or two minutes you will have an opportunity to address our viewers with a statement. In the meantime I would like to say that we have a telephone in our studio. The code for Moscow, for those calling from the CIS [Commonwealth of Independent States], is 095 and our telephone number is 217-45-63. Mr. President, you have four, five, or six minutes at your disposal.

[Snegur] Thank you very much. As for biographical data, I have to correct you. Unfortunately, I am 52, not 51. The nationwide presidential elections were held on 8 December and, regarding unification with Romania, I imagine there will be a separate question and I will express my position a little later.

At the very beginning, with great satisfaction on behalf of my people and the peoples in my country, the Republic of Moldova, I would like to greet the TV viewers cordially and to thank the management of the Ostankino TV Company for this opportunity to tell you about the first steps our republic is making on the road to constructing a legal democratic state.

On this subject, I would like to note that August 1991, when reactionary forces tried to stand in the way of the objective and unavoidable disintegration of the former USSR, was crucial for us. It is known that, from the first hours of this political farce, the people, democratic and public movements, and political parties in Moldova took the position of categorically not acknowledging the putschists and characterizing the events which were happening in Moscow as an attempt at a military-communist coup. After the putsch failed, on 27 August 1991 the parliament announced the state independence of the Republic of Moldova. I would like to say here that all the deputies present at that sitting, regardless of nationality, voted for this historic act.

The six months which have passed since, of course, were filled with important political events and problems. Frankly speaking, along with the people we the leaders have experienced the shortages and the crisis situation which we have in the republic's economy.

It has turned out that it is not so easy to switch from a unitary state to independence. Even on the basis of bilateral mutually advantageous ties, it is not as easy as it would seem to be to deal with issues of maintaining a normal pace of economic development in our republic. For this reason, the leaders of the independent states, the former republics of the former Union, hit upon the formula for the Commonwealth of Independent States, of which Moldova is a member.

I would like to say something else, parenthetically. This step by the president of the Republic—signing the Alma-Ata and Minsk documents—has been viewed in the Republic, and above all in the republican leadership, in an equivocal manner. Those of us in the part of the executive authority with direct responsibility for the development of the economy and social development understand that at the present stage there is no alternative. I would like to state that an absolute majority of the people—the working class and the peasantry—support this point of view.

There is another thing: Objective circumstances have evolved in such a way over this period as to enable Moldova to become a full member of the world community. Our independence has now been recognized by more than 90 states. We have been accepted as a member of the CSCE. We are now on the road to joining the United Nations.

Finally, I would like to dwell in particular on the problem of respect for human rights, because even in your introduction this question was touched on in one way or another. The fact of the matter is that certain forces, even as early as 1989, began a process aimed at discrediting our republic in the eyes of the public. This took place at a time when the people of Moldova, whose language was virtually driven out of all spheres of public life, were beginning their struggle and demanding the right to speak their national language in their own home. On the other hand, they started representing us as nationalists who were trampling somebody else's rights.

As it turned out, there were far-reaching goals involved here. With the beginning of democratization and national rebirth, other forces emerged, supported by the well-known Soyuz group of deputies. They were supported, with a feeling that Moldova might be lost from the makeup of the USSR, or rather that it might not prove possible to keep it in. So our republic became the target of harsher attacks.

I do not think I am mistaken when I state—I am convinced of this—that those two sham republics—in the Dnestr area and in the south of the republic, where even today the separatist leaders are continuously revamping encroachments on local residents or dreaming up new ones—were created in connection with this, on instructions from the center, as an instrument for political blackmail.

I want to say with a full sense of responsibility to the whole Commonwealth that Moldova is in no way pursuing a state policy aimed at violating human rights. As long ago as 1990 we associated ourselves with all world declarations on the observance of human rights. The Moldovan parliament has passed a citizenship law without qualifications of any kind—a law giving the right of citizenship to all those who permanently reside in its territory. For each nationality in the republic there is a cultural and ethnic society. Legislation promotes the preservation and development of the languages and cultures of all the peoples that live together with Moldovans on the territory of the republic.

I want to say that in the past three months the republic was visited by representatives of the Helsinki rights protection movement, who failed to discover any cases of human rights violations. Well, if one were to go deeper and speak.... [changes thought] One could find, say, in Dnestr, one could find opposite examples, of Moldovans making up 40 percent of the total population and, on the contrary, being under some sort of pressure from the armed Dnestr guard, of the so-called Directorate of Public Education, which is insisting on and forcing them to go back from the Latin alphabet to the Cyrillic, and many other such examples.

[Parkhomenko] Mr. President, please be brief.

[Snegur] I am concluding my introductory remarks on an optimistic note. It has been correctly said that we should not speak of our achievements, because there are unfortunately very few of them. Things are going ahead very sluggishly and with great difficulty, both in industry and agriculture. Those multilateral integrated links—the integrated coordination within the framework of the CIS—have not yet gathered speed. We could move on directly to the issues, but I want to say that we Moldovans are optimists and that the people support our policy, having made the choice to carry out and accelerate radical economic reforms and having built an independent Moldovan democratic state.

[Parkhomenko] Thank you, Mr. President. The only thing I am forced to say is that we have very little time left, so let me perhaps ask you on behalf of our viewers to answer the questions very briefly and try to confine yourself in each case to a minute- and-a-half or two minutes. Otherwise all the work by our typists and telephone operators will be pointless and we will not have time to ask you about any of the things that the viewers want to know. For the first questions we have, I will hand you over to Lyudmila Telen of MOSKOVSKIYE NOVOSTI. [passage omitted]

[Telen] Mr. President, we return again to the problem I have already spoken about today: that of Dnestr and Gagauzia in the present Moldova. I will be very brief about this; there are just two aspects I would like to touch on.

You allow cultural autonomy for the Gagauz and, as as I understand it, you do not rule out a free economic zone for Dnestr. Your political opponents want a federative state within the framework of the present Moldova, and quite recently a proposal came from Dnestr to create on the territory of Moldova something like a lesser CIS. How do you feel about this, and what is your prediction about a resolution to this problem? This question is of concern not only to me but also to our viewers. Viewers Dashenko from Bendery, Lyubichev from Tiraspol, a group from Komrat, and many others are asking about this.

The second question: Do you not think that the unsettled nature of this problem gives a definite trump card to certain forces within Russia and could strengthen their positions, thus harming not only democratic Russia but also democratic Moldova? Thank you.

[Snegur] I would like to begin by answering the second question. I am convinced that without the support of certain forces from Russia and other places, there would not even have been the possibility of the formation or existence of the Dnestr Republic, for a start. Envoys from this republic, as we have been informed, are continuously in Moscow for certain consultations. That is why I believe that this danger does exist.

As for the first question, I think you answered it at the very beginning. I am a supporter of cultural autonomy for the Gagauz, and not just cultural autonomy. I am also allowing a free economic zone in this region. I am also allowing a free economic zone on the most modern model in Dnestr. I recently made this statement to local leaders, demanding of course that the armed guard must first be disarmed and sent home.

There is no alternative. Federalization would mean the recognition of these republics. Republics would mean recognizing the right of the people to self-determination. Which people? In Dnestr, the Moldovans who make up 40 percent of the population, the Ukrainians at 26 percent, or the Russians, who make up 25 percent? What the local leaders are putting forward here does not fit into any theory or modern requirements, so I stick firmly to my own position of a united, indivisible Moldova in which problems which have arisen are resolved through political, peaceful means. Judging from the opinions of the peoples living in this zone, we are getting close to this resolution.

[Telen] Mr. President, you are sure that we are getting close to some positive resolution. What facts lead to this conclusion?

[Snegur] I am making this judgement first from individual requests received from the local inhabitants. I am judging this from the need to maintain economic relations between the left and right banks. They simply cannot exist without one another; they cannot organize and maintain production. In 73 years of Soviet rule—or in our situation, in 50 years—there was such a profound integration in the system of the former Union that we cannot now exist without it. You can imagine that within a little republic, a little country, these relations are much closer.

There are financial ties here, and there is a unified banking system here. Features have arisen or have come to the surface during the transition to the market economy which make all of us, including the Dnestr leaders, think otherwise.

[Parkhomenko] Mr. President, I will quote an answer of yours at your very first news conference as president of the Republic in December. The question was: How does the president view the structure of an independent state if, according to his own outline, there will be a unification of Moldova and Romania? Mircea Snegur answered then that the will of the Moldovan people today, as proved indisputably by the presidential election, is for the achievement of Moldova's independence. [passage omitted]

[Snegur] I can add to my reply to this question at the news conference you mentioned that I still maintain this position. We recently had a detailed talk about this during my meeting with the president and other leaders of Romania. In fact, this topic is always coming up, for example, during the meeting and the work at the international economic forum in Davos, and after returning from Davos, during the meeting in Bucharest, and so on. I always say there is much connecting our peoples, that our peoples are brother peoples, they speak one language, they have one history, and so they have the same roots in the past, and so on. Hence all this goes to show the need to develop, or to eliminate the barriers that existed from 1940 until the revolution in Romania. That is what we are working on. We have declared cultural and economic integration, and at the last meeting we agreed to create zones—free trade zones—all along the border, and to form free economic zones the include one Romanian district and two of our rayons. We have simplified border crossings. Now there is visa-free crossing at the border between our countries and the number of crossings has been increased. Thus, we are creating the conditions so we will not feel alienated, so we can at last go visit our relatives, and to provide for the flow in the other direction. Since we are creating such conditions, there is no need to go against the will of the people, which supports such a concept. I think that by such actions we are approaching what exists between all civilized countries, and so there is no need to artificially hurry along the process of agreement.

I cannot give you a precise answer today on how things will develop in the future but I believe, I do believe, in the existence of two states speaking one language. This belief is supported by the majority of the people. This is the path we will travel in today's conditions.

I would also like to say this: I believe that in conditions of independence, with a peace-loving policy being followed in resolving all domestic issues, we can attract foreign capital, foreign investment, more quickly and thus ensure a quicker modernization of our economy. This will help in the resolution of all social issues.

[Parkhomenko] Mr. President, a final topic perhaps, since we only have about nine minutes left. It is connected with what we were just talking about. There is a whole group of organizations active in the republic today which state that their goal is the reunification of Moldova and Romania. Initially it was the national consultation association, then the national council association, and then the national convention for reunification with Romania, now known as the (?Iasi) convention. It has been active since 4 January 1992 and includes about 50 members of parliament from both Moldova and Romania. What is your attitude toward the activities of these organizations and to the organization in the republic that is behind them and directs their activities; that is, the Moldova People's Front, headed by former prime minister of the republic, Mircea Druc? Give us a few words about your relationship with the opposition.

[Snegur] I would like relations with the opposition to be a bit better and for the actions of the opposition to be more constructive. Mircea Druc is in the executive committee at the head of the National Front. I expect the delegates to the congress—which will take place in one week—from the republican People's Front will speak more concretely about these issues. As for the council of associations and the convention of associations, I think the issues must be resolved, as I said in reply to the previous question.

The time for slogans has passed. The people are now quite different. I do not know whether we did well or badly in politicizing the people to such a very high degree, but now everybody sorts out the situation for themselves. I think that the path that we have chosen—

that is, the path of rapprochement, the path of integration, so peoples do not feel alienated from one another—is the truest path. In the final analysis, this issue cannot be settled without the people, without asking the people's will.

[Telen] [passage omitted] Here is a question about relations between the Ukraine and Moldova. [passage omitted on past statements by Snegur] What is your opinion of this problem today?

[Snegur] I see the problem like this: I believe it is our obligation as the leadership of the Republic of Moldova to give whatever help it can to Moldovans and Romanians who live both in Northern Bukhovina and in the south of Bessarabia, to everyone who can be helped, so they can preserve their language and culture.

Regarding our relations with the Ukraine, I take the view that within the framework of the Alma-Ata declaration they should and will be imbued with a spirit of goodwill and good-neighborliness since, in effect, the Ukraine and Romania are presently establishing relations. According to my information, these two countries recently established diplomatic relations....

[Telen, interrupting] So there will not be a territorial problem?

[Snegur] History, in the future, will show how events turn out.

[Parkhomenko] Mr. President, I would like to touch on another problem which I think is a serious one for you since it is serious for each of the leaders of the Commonwealth states. I am talking about relations with the Army. As far as I know, the situation in the republic is fairly complex, often referred to as contradictory. Here is a report from the (?NEGO) agency: On 9 January this year the Government of the Dnestr Republic decided to place under its command units deployed on its territory from the former Soviet Army. The text of a military oath of allegiance to the Dnestr Republic was approved.

What is Moldova's position regarding the Army?

[Snegur] As far as the document which you just read is concerned, it is just as illegal as the so-called Dnestr Republic itself and its so-called president, who signed the document.

As for the Army, our experts are holding very productive talks with representatives of the high command of the CIS Armed Forces in the person of Colonel General Pyankov, first deputy to Marshal Shaposhnikov, with the aim of forming a Moldovan national army on the basis of individual units of troops deployed primarily on the right bank. Let me reiterate: The talks are proceeding successfully, and we are close to signing the relevant documents.

As for the main armed force, the 14th Army, most of which is deployed in Tiraspol, it has been decided during this period of transition to place it directly under the command of the high command. Therefore, under no circumstances do the local leaders have access to it nor can they issue any documents concerning this army.

[Parkhomenko] And now the final question, literally in just a few words. It will not be too long until the leaders of the Commonwealth states gather in Minsk. You will probably be there too. Can you tell us in a few words, literally in a few words, what will be in your briefcase, if it is not a state secret.

[Snegur] It is certainly no state secret. My portfolio will contain conclusions on several documents concerning the armed forces again. You know that a very large number of problems came to light regarding the army after the all-Army officers conference. There will be conclusions on what we do agree with and what we do not agree with.

Most of all, however, certain matters concerning problems in economic relations will be highlighted because that indeed is what concerns us most of all right now. Many of the independent states continue to block and curb supplies to the Republic of Moldova and to other countries. We must untangle this knot and give the economy the opportunity to function normally. Of course, there is nothing especially secret about that.

[Parkhomenko] Thank you, Mr. President. I am afraid that we have already overrun our time by a few seconds. I thank you and our colleague, the head of Republican Television.

[Snegur] Thank you.

Presidential Decree Sets Up Defense Ministry

LD1102000492 Moscow Mayak Radio Network in Russian 1800 GMT 10 Feb 92

[Text] Through a presidential decree, the Moldovan Republic has set up its own Ministry of Defense on the basis of the state directorate for military affairs. The new ministry is headed by Major General Ion Kostash, who used to be the republican minister of internal affairs.

Defense Minister Promoted

LD1002180192 Kishinev Radio Kishinev Network in Russian 0700 GMT 8 Feb 92

[Text] By decree of the president of the Republic of Moldova, the title of lieutenant general was conferred upon Ion Costas, currently the minister of defense of the Republic of Moldova, on 5 February 1992.

U.S. Secretary of State Arrives on Visit

LD1102063592 Moscow TASS in English 0503 GMT 11 Feb 92

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev February 11 TASS—U.S. Secretary of State James Baker arrived here at night on a working visit. He was received at the airport by the Prime Minister of Moldova Valeriy Muravschi and Foreign Minister Nikolae Tsyu. The main object of the visit of the head of the foreign department of the USA are the talks with the President of Moldava Mircea Snegur and other officials.

Humanitarian Aid Arrives Prior to Baker Visit

LD1102005392 Moscow TASS International Service in Russian 1609 GMT 10 Feb 92

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev, 10 Feb (ITAR-TASS)—A U.S. Air Force transport plane with humanitarian aid on board landed at the airport in Kishinev today. It was delivered here on the eve of the arrival in Moldova of U.S. Secretary of State James Baker. In the course of his brief visit to the republic, the head of the U.S. foreign policy department, who arrives here late this evening, will meet President Mircea Snegur and discuss with him issues of further cooperation between both states.

Snegur, Muravschi Meet Western Businessmen

LD0602212992 Kishinev Radio Kishinev Network in Russian 0700 GMT 5 Feb 92

[Excerpts] Moldovan President Mircea Snegur and Prime Minister Valeriu Muravschi yesterday met Rees Vanderstein, chairman of the board of directors of the Swiss-Canadian company Sebeco Group, and Albert Dean, first deputy chairman of the company and consultant to the U.S. Congress. [passage omitted]

In welcoming their guests, the Moldovan leaders expressed satisfaction at the fact that they have come to visit the republic at a time when it needs support from international organizations more than ever before. Mircea Snegur stressed that Moldova has resolutely embarked along the path of independence, and that the most important task for Moldova today is the radical modernization of the national economy. We need front-ranking technology and extra capital investment, he noted. To this end we are establishing direct links with various countries.

We have developed a reform program and would like to know your opinion about it, said Valeriu Muravschi. The views of world famous experts on economic issues are extremely valuable to us. At the outset we are confronting a shortage of experienced teachers for the Academy of Economic Sciences to train the new style economists.

Vanderstein expressed his opinion on the issue in question. He considers that Moldova must establish diplomatic relations with Canada and the United States as quickly as possible. He expressed readiness personally to assist with this. In his view the republic has taken on a tough legacy, and in this connection special attention must be paid to developing the agro-industrial complex, light industry, and other areas.

On whom can Moldova depend? Unfortunately, apart from Belarus, not one state in the former USSR fulfills its pledges. Consequently we need the support of the West. In order to gain its aid Moldova must observe the principles laid down in its Declaration of Independence, ensure a stable social and political situation, and gain prestige on the world stage.

The meeting established guidelines by which the republican government will cooperate with the Sebeco Group company. These guidelines concern mainly international relations.

Trade Agreement Concluded With Romania

LD0702181292 Moscow TASS International Service in Russian 1630 GMT 5 Feb 92

[Text] Bucharest, 5 Feb (BIZNES-TASS)—A long-term trade agreement concluded between Romania and the Republic of Moldova envisions a new mechanism of computations and payments. As reported by Constantin Fota, Romanian minister of trade and tourism, at a news conference here, in the future computations on mutual deliveries will be made on the basis of world prices, in convertible currency, and the rules on international trade in effect.

The long-term agreement also envisions the possibility of signing annual protocols on trade turnover in which the lists of goods supplied to both sides could be fixed according to clearing accounts. Up until now, said C. Fota, trade relations with Moldova have been built on the principles of direct, balanced bartering and on the basis of credit extended in leis, granted by the Romanian Government for deliveries of consumer goods to Moldova, in exchange for raw and other materials supplied from there.

The minister also noted that the Governments of Romania and Moldova intend to set up a joint free trade zone in the future.

Romanian Relations 'Must Encompass Everything'

AU1002152092 Bucharest ROMPRES in English 1319 GMT 10 Feb 92

[Text] Bucharest ROMPRES, 10/2/1992—In a TV interview, Alexandru Mosanu, president of Moldova's Parliament, stated among other things: "We have proclaimed our independence and, as such, we have in Romania a good ally. And everybody knows why: We and they are all Romanians, we speak the same language, share the same history. But it so happened, that, without being asked, we were included in the Soviet empire through the Molotov-Ribbentrop pact. And if we are to recall more distant times, we should remember the year 1812 (when Russia forced the cession of Southeastern Moldavia, known as Bessarabia—editorial note). It is obvious then that Romania is our natural ally and that we must develop our relationship with Romania at all levels, because otherwise we shall find it difficult to exist. There are attempts to push us into another direction, towards the CIS, but it is doubtless that this Commonwealth of Independent States is a cover for the same ideas that populated Gorbachev's imagination. Although we are trying to establish bilateral relations with Russia, the Ukraine, Belarus, with Kazakhstan, it is not clear however why such a form of organisation is imposed on us, why this imperial mentality is further promoted, a mentality that says: If you want us to be on friendly terms with you, step into our game, join this community of ours and only then shall we entertain normal relationships.

As for Romania, our relations with her must encompass everything, be ever closer, until total fusion, provided, of course that that is the wish of the majority of our population. This is the tendency at the moment and history teaches us we must advance on the way of growingly wider contacts, because there is no other one we could rely on except Romania.

Although, as is known, the president of the republic signed the documents regarding the community, it is not there that our future lies. Our future lies there only in as much as our bilateral relations are concerned. We are highly interested to develop bilateral relations, like all the other former Soviet republics. But without imperial policies, without vile thoughts, without intentions to drag us [illegible] means into who knows what new structure, because we have had enough of such structures. Some people are still attempting such artificial structures, but we do not trust them, all peoples are highly distrustful of such a plan. Our experience is bitter and we do not want it repeated," concluded parliament president Alexandru Mosanu, as quoted by MOLDOVA-PRES.

Dnestr 'Republic' Furthers Separatist Efforts

Decree Sets Up Own TV Center

LD0702214192 Kishinev Radio Kishinev Network in Russian 0700 GMT 7 Feb 92

[Text] Tiraspol: The decision by the Presidium of the parliament of the Republic of Moldova on redistributing national television program channels is viewed by the separatists in Tiraspol as deliberate discrimination against the Russian-speaking population, reports a correspondent of MOLDOVAPRES.

In connection with this, the so-called Supreme Supreme of the Dnestr pseudo-republic has issued a decree setting up its own television center, which is due to start broadcasting already this summer. With this aim a contract on cooperation has been concluded with the Ostankino Television Company, which intends to supply unselfish aid in the cause of providing the Tiraspol Television Center with the necessary equipment.

Tiraspol Garrison Seized

LD0902101492 Moscow Radio Rossii Network in Russian 0800 GMT 8 Feb 92

[Text] A military garrison in Tiraspol, including buildings and equipment, has been seized by guard troops of the Dnestr Moldovan republic. It is planned to house the republican Internal Affairs offices there, RIA reports.

Appeal to Yeltsin

PM1002095992 Moscow KRASNAYA ZVEZDA in Russian 6 Feb 92 p 3

[Report by Captain Third Rank A. Pelts under "Direct Line" rubric: "Dnestr Deputies: We Have Come in Hope of Support and Mutual Understanding"]

[Text] Moscow—I would very much like to be wrong in my predictions. However, a meeting with deputies from the Dnestr Moldovan republic Supreme Soviet which took place during the presentation of the "Movement for the Solidarity of Sovereign States and Small Autonomous States" inspires entirely justified alarm.

Dnestr Supreme Soviet Deputies Ilya Milman, Boris Akulov, and Oleg Zapolskiy spoke with concern about this during the meeting with journalists. They came to Moscow at the decision of their parliament with the quite specific aim of not only drawing the attention of the independent states to the problems of mutual relations between the Dnestr republic and Moldova, but also making an attempt to avert the ethnic upheavals that are brewing.

The protracted dispute about releasing 24 Dnestr region national guards who are at present in a Kishinev prison may act as a kind of detonator in such conflicts.

"We hope," Deputy Boris Akulov said, "that Kishinev will nevertheless implement the conciliation commission's decision to repeal the clampdown measure that was reached earlier during the talks."

Many of those participating in the presentation who addressed those present spoke with alarm about events unfolding in the Commonwealth countries. The actions of all kinds of right-wing radical groups and organizations which are trying to "play" on ethnic questions and develop sentiments of mistrust and hostility toward the so-called "Russian-speaking population" are causing serious concern. Tolerance and unity must be employed to counter such attempts.

An appeal to the president of the Russian Federation was adopted on behalf of the participants in the meeting. A request has been made for assistance in the measures being taken to ensure the release of the Dnestr national guards and a political solution to other regional problems.

1991 Agricultural Output Lowest in Decade

LD1002074592 Moscow TASS International Service in Russian 1102 GMT 9 Feb 92

[Text] Kishinev, 9 Feb. (TASS)—The past year in Moldova was the least successful in the last 10 years in terms of agricultural output, the State Statistics Department has reported. Output in all categories fell by 469 million rubles [R] compared with 1990, which is 11 percent of the overall volume. On public sector farms, output fell by 14 percent for all types of agricultural produce, with the exception of grain and essential oil crops. The biggest decline—27 percent—was in vegetable and fruit output. The sale of poultry and cattle to meat-processing factories fell by 22 percent. The cattle and poultry stock continues to decrease.

Despite the fact that profits from the sale of agricultural produce have increased—compared with 1990—by R1.6 billion due to the growth of purchasing and contractual prices, which represents an increase of over one third, a total of 22 farms reported losses at the end of the year. The level of profitability of agricultural enterprises was on the average 38 percent, which is five percent lower than the same period a year ago.

According to statistics, peasants' holdings were marked with stability of production, as during past years. The volume of agricultural produce which was prepared here increased by six percent during the past year and amounted to R850 million.

Kazakhstan

Nazarbayev Concerned Over CIS Armed Forces

LD1102113692 Alma-Ata Kazakh Radio Network in Kazakh 0000 GMT 11 Feb 92

[Text] Kazakh President Nursultan Nazarbayev has expressed serious anxiety over the disagreements which have arisen between Russia and the Ukraine, particularly in connection with the division of the Black Sea Fleet. In a conversation with a correspondent from the Istanbul newspaper TURKIYE, he noted that the republics which made up the former Soviet Union must unite under the roof of a single confederation. In his opinion, the division of the Armed Forces of the former Union could lead to very serious problems.

The Kazakh president stressed: Breaking down the Army into units could lead to disagreements arising between republics, similar to those which currently exist between Russia and the Ukraine, and to tension which could escalate into a heated confrontation. We would all be harmed as a result. That is precisely why all the republics should have a united army. I believe that this problem can be resolved at the meeting between leaders of CIS [Commonwealth of Independent States] member countries in Minsk on 14 February.

Views Domestic Issues, Tasks

AU0702193992 Budapest NEPSZABADSAG in Hungarian 4 Feb 92 p 1

[Interview with Kazakh President Nursultan Nazarbayev by Peter Dunai in Davos on 3 February: "It Does Not Depend on Kazakhstan"]

[Text] Kazakhstan is today one of the most stable parts of the disintegrating former Soviet Union, which is drifting from one crisis to another. Its huge area of 2.7 million square kilometers contains almost all necessary raw materials. With its several thousand nuclear experts, Kazakhstan controls the nuclear weapons testing site in Semipalatinsk, complete with its equipment worth several tens of billions [currency not specified], and the space center in Baykonur. The proportion of nationalities living in this republic is largely balanced: There are equal numbers of Kazakhs and Russians here. Nursultan Nazarbayev is regarded as one of the most thoughtful and prestigious statesmen in all the world.

[Dunai] What are Kazakhstan's relations with Russia like?

[Nazarbayev] We have the best possible relations with Russia.

[Dunai] What about your relations with the other post-Soviet states?

[Nazarbayev] I am now working to bring about proper relations between the members of the new Commonwealth of nations. The conditions for this are given, and we have set up a coordinating body. I am convinced that this Commonwealth will eventually function smoothly and the relations between various member states will also be settled.

[Dunai] What will happen to the ruble. It seems to be shaky today?

[Nazarbayev] Kazakhstan signed an agreement with Russia in which we accept the continuation of a uniform currency system in rubles. As for the other former Soviet republics, I would not bet on that....

[Dunai] What will happen to your nuclear weapons?

[Nazarbayev] We agreed in a contract that these weapons would be placed under a unified command, and a unified center would have the control over these weapons.

[Dunai] What kind of society will Kazakhstan build in the future?

[Nazarbayev] We are advancing toward a market economy at full speed. We are building a multiparty constitutional state that professes democratic values.

[Dunai] What is your opinion about the Western aid to the Commonwealth of Independent States [CIS]?

[Nazarbayev] So far, there has only been talk about it, and I see no action in this respect. Besides, I think it is impossible to provide genuine help for 300 million people. In my view, the countries of the former Soviet Union would be better off relying on their own strength. Time is running short, but the West is not in a hurry to grant loans. If we do not start the reforms, we might get into a very dangerous situation.

[Dunai] Hungarian businessmen are complaining about the fact that it is very difficult to do business with you....

[Nazarbayev] I met with your minister, Bela Kadar, here in Davos on 1 February, and I told him that Kazakhstan was ready to restore our previous bilateral contacts. Both Kazakhstan and Hungary lost a lot when these contacts were broken off. In order to renew our relations, we signed an intergovernmental agreement.

[Dunai] Does this mean that a Kazakh embassy will be opened in Budapest?

[Nazarbayev] Hungary has not yet taken such an initiative....

[Dunai] Does this mean that it all depends on us Hungarians?

[Nazarbayev] Yes. Kazakhstan is ready....

Military Experts Prepare for Minsk Summit

LD0902033192 Moscow POSTFACTUM in English 1945 GMT 8 Feb 92

[From the "Military News" section]

[Text] Alma-Ata—At present the former USSR Armed Forces have to remain integrated, Kazakhstan military experts believe. PF [POSTFACTUM] sources report that Kazakhstan military experts have worked out recommendations for Kazakhstan President Nursultan Nazarbayev for the coming summit of the heads of CIS [Commonwealth of Independent States] member states on February 14 in Minsk, where it is intended to discuss defense issues. Kazakhstan's stand did not change since the last meeting in Minsk on December 30. As earlier, the experts believe that for the next two years the Armed Forces of the former Union should stay integrated, but negotiation process should be initiated for their reorganization.

Alma-Ata To Propose CIS Financing of Baykonyr

LD1002225192 Moscow POSTFACTUM in English 1957 GMT 10 Feb 92

[From the "Domestic Market" section]

[Text] Alma-Ata—The budget of Baykonyr space-vehicle launching site in the 1991 prices is equal to about R [rubles] 1.5 billion. On February 14, at a conference of the heads of the Commonwealth of Independent States [CIS], Kazakhstan is going to offer a draft agreement between the command of the united Armed Forces of the Commonwealth of Independent States and the state defence committee of the Republic of Kazakhstan. The agreement provides for mutual financing of the Baykonyr space-vehicle launching site by the republics of the Commonwealth of Independent States. According to a number of experts, as far as existence of united Armed Forces of Commonwealth of Independent States can become questionable in the near future, the most perspective could be the conclusion of an agreement between Kazakhstan and other members of the CIS who will agree to participate in space research on Baykonyr.

Kyrgyzstan

No Action Planned Against Army Jurisdiction

OW0802050192 Moscow INTERFAX in English 1935 GMT 7 Feb 92

[Transmitted by KYODO]

[Text] Kyrgyzstan does not intend to take any action against the army, Victor Verbkin, a representative of the Kyrgyz President's press service told "INTERFAX". Verbkin reported that army units deployed on the republic's territory will not be taken under local jurisdiction nor will military property be privatized. The Republic is striving for neutrality and does not intend to enter into military blocks. Verbkin noted that the parliament's conclusion that there is no point in Kyrgyzstan organizing its own army was proof of President Askar Akayev's position. The President considers that such a small country as Kyrgyzstan must rely on intellect rather than force in its relations with other nations.

Foreign Minister Views 'Turkic Confederation'

NC0902121292 Istanbul TERCUMAN in Turkish 5 Feb 92 p 6

[Text] Brussels (ANATOLIA AGENCY)—Kyrgyz Foreign Minister M. Imanaliyev has said that a "Turkic confederation" is a possibility.

In an exclusive statement to ANATOLIA, Imanaliyev recalled the claim made in the Western press that Turkey and the Turkic republics may establish a Turkic confederation. He said: "Can a Turkic confederation be established? Well, why not? That is no cause for alarm."

Imanaliyev asserted, however, that establishing a confederation in the near future is impossible. "There are reasons to establish a Turkic confederation. Ethnically, we are closely related, but our way of life and national structures are different. Kyrgyzstan is a multinational republic, so we must also consider the wishes of the other peoples in our republic."

Elder Brother

Imanaliyev stated that Kyrgyzstan wants to maintain fraternal relations with Turkey based on equality. "We have been under the protection of an elder brother for 70 years, so we react negatively to the concept of protection."

Noting that Kyrgyzstan welcomed the Turkish Government's approach in this regard, Imanaliyev asserted: "Foreign Minister Hikmet Cetin's approach is very balanced and reasonable. Although he maintains a very sincere attitude, he refrains from trying to give us instructions; his approach is balanced and respectful."

Observer Status Within ECO

Imanaliyev said that Kyrgyzstan is considering the proposal to participate in the ECO [Economic Cooperation Organization]. "In view of our domestic problems, Kyrgyzstan's participation in the ECO is rather difficult. We are planning to take part as an observer rather than as a full member."

Commenting on Kyrgyzstan's expectations for economic relations with Turkey, Imanaliyev said: "Turkey is encouraging and supporting us."

Message to the Turkish People

Imanaliyev conveyed greetings to the Turkish people through ANATOLIA. He said: "We are very happy to reestablish relations after a break of 100 years. I wish the Turkish people happiness and health. Our forefathers share a common heritage, so nothing can remove these feelings."

Uzbekistan

Foreign Ministry Denies Afghan Arms Sales

LD1002133792 Moscow Radio Rossii Network in Russian 1300 GMT 10 Feb 92

[Text] The Uzbekistan Foreign Affairs Ministry issued a statement today refuting reports by some foreign mass media about violations by the republic of the Soviet-American agreement on the cessation of arms supplies to Afghanistan. The statement stresses that Uzbekistan observes and intends to adhere strictly to accords on the cessation of arms supplies to the opposing Afghan sides.

Official Notes Islamic Party Gaining Power

LD0602225792 Moscow Russian Television Network in Russian 2000 GMT 6 Feb 92

["Vesti" feature presented by Yuriy Rostov]

[Text] Akhmadi Askarov, chairman of the Uzbekistan Committee for Science, has made a statement in which he stresses that the probability of the Islamic Party coming to power in Uzbekistan is very high now. The party is enjoying support in the Fergana Valley, and its influence is rapidly growing. If the Islamic Party comes to power, Askarov says, the republic will follow the Iranian model of state structure.

Official Protests INTERFAX Reportage

OW0702205792 Moscow INTERFAX in English 1935 GMT 7 Feb 92

[Transmitted by KYODO]

[Text] The Uzbek President's press secretary Irismat Abdukhalikov has lodged a protest with IF [INTERFAX] saying that the news agency has continued to spread disinformation about current developments in the republic. IF's news item of January 31 concerning the situation in Namangan is one of the controversies.

The press service of the Islamic Party of Revival [IPR], quoted by IF, has confirmed that it had at its disposal video-tapes proving that the situation in the Namangan region of Uzbekistan is tense.

The IPR press service has said that the conflict between Islamic self-government bodies and the authorities, which started last year, has entered a new phase. President Karimov is said to have walked back on his pledges to take Muslim self-government into account and appointed the chief of the regional administration in defiance of the Muslims' will. The rally of protest that followed ended, when the Deputy Prime Minister of Uzbekistan Djurabekov promised that President Karimov would meet with Muslim representatives.

The IPR press service said that the party would continue to press for the dissolution of the Supreme Soviet of Uzbekistan, early parliamentary elections and the official registration of the Islamic Party of Revival, which President Karimov has ignored.

Karimov To Visit Cairo; Views Relations

NC0702102492 Cairo MENA in Arabic 0905 GMT 7 Feb 92

[Text] Tashkent, 7 Feb (MENA)—Uzbekistan President Islam Karimov has praised President Muhammad Husni Mubarak and described him as an international personality who has earned the international community's respect, especially that of the justice- and peace-loving countries.

President Karimov announced that he will soon visit Egypt in response to President Mubarak's invitation.

In an exclusive statement to MENA, he said this visit will contribute toward bolstering relations between Egypt and Uzbekistan.

He added that throughout the years the people of Uzbekistan have never been too far removed from Egypt. They continued to follow Egypt's progress and battles, especially in recent years. He said: We have been following Egypt's achievements with great interest, particularly its political and economic achievements along with its achievements in democracy and a free economy.

President Islam Karimov confirmed that the Uzbekistan Republic hopes to bolster relations with the Islamic states.

The Uzbek president also hoped that his country will complete its current transitional stage within five years. He pointed out that Uzbekistan will issue a national currency within a year.

Karimov adds that his country does not want to be enemies with Russia, the Ukraine, and Belarus; it wants to work on developing relations of cooperation with these countries.

He pointed out that Uzbekistan recognizes private ownership, which currently is at about 11 percent, as a basic right. The government is now distributing land to the farmers. It has given businessmen the right to cooperate with their counterparts in other states and set up joint projects within the framework of moving toward a free market economy.

Trade Agreement Signed With Hungary

LD0802003392 Budapest MTI in English 1330 GMT 7 Feb 92

[Text] Budapest, February 7 (MTI-ECONEWS)—The draft of a two-way trade and economic agreement between Hungary and Uzbekistan has just been initialled in Tashkent.

The agreement will come into effect after the two ministers have signed it, Mihaly Gombkoto, Hungarian commercial counsellor in Moscow, told MTI today.

The draft agreement stipulates world market prices and convertible accounting, but also allows for barter deals and similar arrangements. It prescribes that the banks which will do the actual accounting have to be designated within two months of signing.

The agreement envisages a 1992 turnover of $100 million on each side.

Hungary exports grain and meat, raw materials for the light industry, semi-finished products, pharmaceutical products, medical equipment, buses and bus spares to Uzbekistan.

In return, the Uzbek Republic delivers cotton, its traditional export item, to Hungary, and has also offered to supply fertilizers.

Birlik Hunger Strikers Appeal to Baker

OW0802024692 Moscow INTERFAX in English 1312 GMT 7 Feb 92

[Transmitted by KYODO]

[Text] Activists of the popular movement BIRLIK, now on a hunger strike in Tashkent, have appealed to the U.S. Secretary of State James Baker on the eve of his scheduled visit to Uzbekistan. They complained about violation by the republican authorities of the people's rights and freedoms, particularly the right to freely voice their views, hold meetings and set up public associations. The authors urged the American guest to meet with Uzbekistani pro-democracy activists.

The hunger strike was launched on February 5 in the building of the Uzbek State Committee on the Press in protest against the latter's refusal to register a newspaper published by BIRLIK. However, under pressure from the republican Interior Ministry, the protesters were compelled to move to the building of the Uzbek Writers' Union which houses the BIRLIK headquarters.

The strike is being monitored by Red Cross and Health Ministry officials who have voiced concern over the condition of some of the protesters.

Armenia

Interior Minister, Security Chief Appointed

LD1102110992 Moscow TASS International Service in Russian 0955 GMT 11 Feb 92

[By ITAR-TASS correspondent Tigran Lilopyan]

[Text] Yerevan, 11 Feb (ITAR-TASS)—President Levon Ter-Petrosyan of Armenia has made three important appointments to the republic's government.

He has appointed Vano Siradegyan, a presidential adviser and chairman of the board of the ruling Armenian National Movement (ANM), to be minister of internal affairs. Another activist in the movement, Valeriy Pogosyan, who had worked for little more than three months as Armenia's minister of internal affairs, heads the State National Security Agency, as the republic's KGB is now called. General Usik Arutunyan, the former chief of the Armenian secret service, has become the head of the State Tax Inspectorate of the republic.

Forty-five-year-old Vano Siradegyan, a well-known writer and a member of the Union of Writers, was on the "Karabakh" committee and, with other members, was imprisoned in the Matrosskaya Tishina in 1988-89. He has been a deputy in the Armenian parliament since 1990 and has headed the ANM since September of that year.

Valeriy Pogosyan, a candidate of philosophy, headed the philosophy and law editorial office at the main editorial office of the Armenian Soviet Encyclopedia before his election in 1990 as a deputy to the Armenian Supreme Soviet. Until appointed minister of internal affairs at the end of last year, he was on the standing legal affairs commission in parliament.

Usik Arutunyan, who is 46, was for many years involved in running the Komsomol. On graduating in 1979 from the USSR KGB Higher School, he held senior posts in the Armenian KGB and was deputy chairman of the State Security Committee. He was minister of internal affairs from 1988 to 1990, and since 1990 he has been chairman of the Armenian KGB. He now heads the State Tax Inspectorate of the Republic, which is being created.

Leader Notes Azeri 'Inability To Compromise'

OW1002175392 Moscow INTERFAX in English 1604 GMT 10 Feb 92

[Transmitted by KYODO]

[Text] The Armenian President Levon Ter-Petrosyan has accused Azerbaijan of inability to compromise in order to promote a settlement of the Armenian-Azeri conflict. The President was speaking at a session of the republican parliament in the capital Yerevan.

President Ter-Petrosyan believes that serious resistance by Armenians in Karabakh and pressure from the international community can make Azerbaijan come to the negotiating table. President Ter-Petrosyan said he would like all CIS [Commonwealth of Independent States] member-states to formulate their attitude to the dispute over Nagorno-Karabakh. He said that the Russian President Boris Yeltsin's proposal to form an inter-state peace keeping force similar to that of the United Nations and send it to Nagorno-Karabakh was not a bad idea.

President Ter-Petrosyan has said that Armenia is not going to follow in the footsteps of Azerbaijan to nationalize the army units of the former USSR, deployed on its territory.

About relations within the framework of the Commmonwealth the Armenian President said that the past 70 years had linked Armenia with the other republics of the Union with tight political and economic bonds, and that breaking those bonds in the near future would be 'undesirable and impossible'.

The Armenian President said that his country had already been recognized by more than 80 countries around the world. With fifteen of them Armenia already has diplomatic relations.

For a detailed account of President Ter-Petrosyan's speech see the February 10 edition of the "Presidential Bulletin".

Presidential Adviser on Readiness To Negotiate

NC0802144092 Cairo MENA in Arabic 1320 GMT 8 Feb 92

[Excerpt] Yerevan, 8 Feb (MENA)—Armenian presidential adviser Dr. Gerard Liberdyan [name and title as received] has expressed his country's readiness to hold negotiations with the republic of Azerbaijan and reach a peaceful solution to the dispute over Nagorno-Karabakh.

In an exclusive statement to a MENA correspondent in Yerevan, Dr. Liberdyan said that Armenia would accept a compromise solution based on safeguarding Armenians' right to self-determination and to express their culture. He emphasized that the dispute between the two republics is not over religion. The Armenian presidential adviser said that the solution Armenia has proposed could be based on the UN-proposed settlement of the Sahara problem.

To a question about Armenia's position toward the differences among the Commonwealth of Independent States [CIS], Dr. Liberdyan said the CIS has not yet achieved a formula that would ensure linkage between the republics in the wake of the dismemberment of what was known as the Soviet Union and the increasing differences over the future of the federal army in light of the international pressure to resolve the nuclear weapons issue. He added that the republics have not yet decided whether to retain the ruble or issue national currencies or how to pay the Soviet Union's foreign debts and determine the value of its property abroad.

Dr. Liberdyan stressed that Armenia is ready to cooperate with any group of countries on the basis of international legitimacy and the principles of international law. He said that his country has welcomed the Mediterranean grouping because Armenia is linked with these countries by strong economic and cultural ties. The Armenian presidential adviser went on to say that his country's policy is based on building a civilian society like that of Europe without ignoring the historic relations that link Armenia with the Middle East. [passage omitted]

Nagorno-Karabakh Appeals to Russia for Rubles

LD1002215592 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1600 GMT 10 Feb 92

[Text] The Nagorno-Karabakh leadership has appealed to Gennadiy Burbulis, Russian first deputy prime minister, to arrange the issuance of 50,000,000 rubles specifically targeted for the needs of Nagorno-Karabakh. The cash situation in the republic is disastrous, the SNARK news agency reports.

Security Council 6 Feb Meeting Reported

NC1002094592 Yerevan Radio Yerevan Network in Armenian 1630 GMT 7 Feb 92

[Excerpts] President Levon Ter-Petrosyan chaired a meeting of the Armenian National Security Council on 6 February. [passage omitted]

Armenian Defense Minister Vazgen Sargsyan gave a briefing on the situation in Nagorno-Karabakh, where armed attacks on Armenian settlements continue. The people of Nagorno-Karabakh and the self-defense forces are, he said, stopping the attacks.

Foreign Minister Raffi Ovanesyan briefed the meeting on the state of affairs in the foreign relations sphere, discussing the results of his recent visits to Madrid, Brussels, Vienna, Sofia, Athens, and Prague. The foreign minister stressed that in keeping with the provisions of the CSCE charter, to which Armenian agreed [word indistinct], a CSCE fact-finding commission will visit Transcaucasia soon to study the situation in Nagorno-Karabakh, Armenia, and Azerbaijan.

While praising the Foreign Ministry's work, the participants stressed that Armenian foreign policy should evolve and develop in all directions and a new system of (?priorities) should be worked out.

The meeting instructed the Foreign Ministry, Interior Ministry, and the State Directorate for National Security to work together to draw up proposals for issuing (?passports) to Armenian citizens and passes to foreign citizens entering Armenia [words indistinct].

At the meeting's conclusion, Gagik Arutyunyan, Armenian vice president and prime minister, gave a briefing on how to protect the population during the transition to a free-market economy and on measures to obtain fuel and energy.

All Republics Recognized Except Azerbaijan

LD0802143492 Moscow Mayak Radio Network in Russian 0500 GMT 8 Feb 92

[Text] It has been announced in Yerevan that Armenia officially recognizes the state independence of Belarus, Turkmenistan, Kyrgyzstan, Moldova, Tajikistan, and Uzbekistan. The republic earlier signed protocols with Russia, the Ukraine, Kazakhstan, Georgia, and the Baltic countries on mutual recognition. Thus, Azerbaijan remains the only republic of the former Union with which Armenia has not established official relations, RIA reports.

Relations Established With Germany, Others

NC0702133892 Yerevan ARMENPRES International Service in Armenian 1215 GMT 3 Feb 92

[Text] Armenian Foreign Minister Raffi Ovanesyan met German Foreign Minister Hans-Dietrich Genscher in Prague on 30 January to establish diplomatic relations at embassy level between their countries.

That same day the Armenian foreign minister met Dutch Foreign Minister Hans van den Broek, with whose country diplomatic relations were also established.

Armenia will also establish relations with Canada, on which an agreement was signed between Ovanesyan and Canada's Foreign Affairs department director Barbara McDougall.

The meetings discussed bilateral relations and the prospects for international cooperation between Armenia and Germany, the Netherlands, and Canada. They also discussed the possibility of the international community helping to solve the Nagorno-Karabakh problem. Ovanesyan stressed that the Armenian authorities favor resolving the issue peacefully.

[Yerevan Radio Yerevan Network in Armenian at 1630 GMT on 3 February reports: "The Brazilian Government will establish diplomatic ties with Russia, the Ukraine, Belarus, and Armenia. Instructed by his country's Foreign Ministry, Brazil's ambassador in Moscow will soon visit Kiev, Minsk, and Yerevan, to hand in his credentials and convey messages from Brazilian President Fernando Collor and Foreign Minister Francisco Rezek."]

Azerbaijan

Unrest in Nagorno-Karabakh Continues

Clashes Leave Dead, Injured, Damage

LD1002162692 Moscow TASS International Service in Russian 1502 GMT 10 Feb 92

[By unidentified ITAR-TASS correspondent]

[Text] Moscow, 10 Feb (ITAR-TASS)—Armed clashes are continuing in Nagorno-Karabakh. According to data from the local internal affairs directorate, fighting has been going on in the Armenian village of Kichan, Mardakertskiy Rayon, for more than 24 hours. According to reports available at 1600 Moscow time, four Armenians have been killed and three wounded during the clashes.

The Azerbaijani side, whose formations are attacking from the direction of the village of Syrkhavend, has lost 20 men.

Combat actions have also taken place on the outskirts of Stepanakert today. Some 135 missiles and artillery shells were launched on the town from Malybeyli, Shusha, Dzhangasan, and Khodzhalla. Up to 15 buildings were damaged. There are wounded. During the morning, Armenian self-defense forces attempted to neutralize weapons emplacements in Malybeyli. A battle started, but there have not yet been any reports of casualties.

According to a report from Baku, from the AZERINFORM NEWS AGENCY, residents of the Azerbaijani village of Syrkhavend in Nagorno-Karabakh spent all of last night and the first half of today under artillery fire. They took shelter in the basements of houses that had been converted into shelters. As Major Gyuloglan Mamedov, chief of the Syrkhavendskiy territorial department of the militia, reported, various weapons, including artillery guns, were fired from nearby Armenian villages. According to the preliminary data, two were killed. There are wounded, and there is damage.

The rayon center of Shusha and the villages of Malybeyli and Kushchular were fired on throughout last night and this morning. There are wounded and there is destruction.

Tensions Rise in Shusha District

OW1002180392 Moscow INTERFAX in English 1604 GMT 10 Feb 92

[Transmitted by KYODO]

[Text] Since Monday [10 February] morning the village of Malybeili in the Shusha district of Nagorno-Karabakh has several times been attacked by Armenian militants, an official of the Azerbaijani Popular Front's press service told IF [INTERFAX]. Early reports put the number of casualties at 1 local resident killed and 12 wounded. The attackers are controlling half of the village.

The official said nearly 2,000 peaceful civilians in Malybeili are unable to leave the scene of the fighting because of the absence of road or air communication.

According to the Interior Department of the Shusha district, armed Armenian units captured the Azeri villages of Gaibaly and Gushchular late on Sunday [9 February] night.

The Azerbaijani Popular Front reports one person was shot and killed as the city of Shusha came under Armenian fire on Monday morning.

Meanwhile, the press service of the Armenian Operational Headquarters had told IF's reporter that efforts continue in Malybeili and the neighboring village of Djankasan to "suppress Azeri fire emplacements." It is from these two villages and the cities of Shusha and Khodjaly that the Karabakh administrative center Stepanakert (Khankendi) came under fire on Sunday. Fresh reports say 55 missiles and 80 artillery shells were fired at the time, wounding 4 people and destroying 10 homes.

According to the press center, it is from Malybeili that armed Azeris made a storming attack on a suburb of Stepanakert.

At 10am on Monday the city came under fire again. The number of casualtiles is yet to be established.

The fire exchanges that have continued near the village of Kichan in the Mardakert district have resulted, according to the press center of the Operational Headquarters, in 4 Armenians and nearly 20 Azeris killed.

Conditions 'Extremely Explosive'

NC1002184392 Yerevan Radio Yerevan Network in Armenian 1630 GMT 10 Feb 92

[Text] The Nagorno-Karabakh Republic [NKR] Supreme Soviet Presidium met today. Supreme Soviet Deputy Chairman Gevorg Petrosyan informed the press that the meeting primarily discussed the structures of the evolving (?organs) of the Supreme Soviet. The meeting also heard a report from Levon Melik-Shakhnazaryan, chairman of the NKR Supreme Soviet Commission on Foreign Relations, on his visits to Moscow and Yerevan.

The situation remains extremely explosive in Nagorno-Karabakh. It was reported yesterday that Armenian freedom fighters repulsed the enemy from its positions at the approaches of Kichan village and are now launching attacks against the enemy.

Fighting is continuing all along the bordering settlements of Nagorno-Karabakh. There is no substantial change in the situation in [word indistinct] and the situation is stable in Shaumyanovskiy. The artillery and rocket shelling of Stepanakert is continuing from the direction of Malybeyli and [name indistinct] villages.

The freedom fighters are striking back, and today silenced a few firing positions in Malybeyli. The enemy suffered substantial human and material losses.

Iranian Mediation Sought

LD1102000392 Moscow TASS International Service in Russian 1146 GMT 10 Feb 92

[By ITAR-TASS correspondent Oleg Kuzmin]

[Text] Tehran, 10 Feb (ITAR-TASS)—Azerbaijan is calling on Iran for assistance in settling the Karabakh conflict. This was stated on 9 February by Tamerlan Karayev, deputy chairman of the Azerbaijan Supreme

Soviet, after his arrival in Tehran to take part in celebrations on the 13th anniversary of the Islamic Revolution. At his meeting with Mehdi Karrubi, speaker of the Iranian parliament, he referred to the danger of "interference in the affairs of Azerbaijan by imperialist forces," the newspaper JOMHURI-YE ESLAMI reports today.

M. Karrubi said that "the Iranian people are not separating themselves from the Azerbaijani people," and Iran is ready to place all its experience in the fields of economics, culture, and social development at Azerbaijan's disposal.

In the afternoon, Armenian Foreign Minister Raffi Ovanesyan also asked Iran to mediate in the settlement of the Karabakh conflict during talks with Iranian Foreign Minister 'Ali Akbar Velayati.

Minister Requests Turkey's Help

NC0802083192 Ankara TURKISH DAILY NEWS in English 4 Feb 92 p 2

[Report on interview with Azerbaijani Foreign Minister Musa Sadykhov by Nazlan Ertan in Istanbul; date not given]

[Text] Azerbaijan will not become a country ruled by a system like that of Iran, a senior Azerbaijani official said.

In an exclusive interview with the TURKISH DAILY NEWS, Azeri Foreign Minister Musa Sadykhov underlined that his newly independent republic will not adopt the system of Iran despite the fact Baku wants to cultivate ties with this country.

Sadykhov said Baku had chosen a Western style democracy employing Turkey as its role model.

"We observe Mustafa Kemal Ataturk's words "peace at home, peace in the world," he said.

"On this basis, we will establish good ties with both Iran and Turkey." "But this does not mean that Azerbaijan will adopt the Iranian system of government," he said.

"We have made our choice towards the Turkish model of Western-style democracy," he said.

"Religion is a matter of conscience, a private matter. Let religion deal with a person's religious world, and let the state deal with the economic and political world."

Lashes on Armenia

Responding to a question on disputes between Azerbaijan and Armenia, Sadykhov criticized Armenia for having dreams of a "greater Armenia."

"Armenia's state policy is contrary to international law agreements which stipulate nonintervention in a country's domestic affairs and territory." Sadykhov said.

"Armenia covets the territory of its own neighbors and interferes in their affairs so as to harm (those countries') internal security."

He said Armenia wanted the Azerbaijani enclave of Nagorno-Karabakh and had territorial claims on Turkey. "It has the ambition of creating the greater Armenia from the Black Sea to the Caspian," he said.

"It was agreed in Prague that a group of CSCE experts would visit the 10 former Soviet republics to observe their human and political rights situation."

"We hope they will also observe the situation in Karabakh," said Sadykhov, who came to Istanbul straight after the CSCE meeting in Prague.

He stressed that Baku's policy in Karabakh was fair and unchallengeable.

"We do not covet anyone's territory. Our government vouches for the security and rights of the people in Karabakh," he said.

"In return, we ask them to abide by Azerbaijani laws."

The Azeri foreign minister also offered to meet his Armenian counterpart to discuss the worsening conflict over the disputed enclave of Nagorno-Karabakh.

Sadykhov said only talks between the two former Soviet republics could settle the dispute over the Nagorno-Karabakh.

Sadykhov said he was ready to meet Armenian Foreign Minister Raffi Ovanesyan, who unexpectedly cancelled his visit to Istanbul on 10 February.

Sadykhov accused Armenia of sending "terrorist groups" to Nagorno-Karabakh, but gave no details.

He said Turkey could help try to find a peaceful solution for the enclave, where about 1,000 people have been killed since violence between Azeri and Armenian militiamen flared in 1988.

"We are willing to carry out dialogue with Armenia," he said, noting that Turkey could play a role in facilitating dialogue on the thorny issue.

"If Turkey explicitly expresses its willingness both to Azerbaijan and Armenia (for mediation) we would be grateful, this would be a very positive contribution," Sadykhov said.

Baku To Insist on National Army Creation

LD1002204192 Moscow POSTFACTUM in English 1221 GMT 10 Feb 92

[From the "Politics" section: "Azerbaijan Insists on Creation of the National Army"]

[Text] Baku—Azerbaijan intends to insist on creation of its own national army during February 14 meeting in Minsk, according to Azerbaijani deputy defense minister.

Major General Shakhin Musayev, first deputy defense minister of Azerbaijan and chief of staff, said that republican defense doctrine demands creation of national army to restore stability and peace in the region, as well as to protect sovereignty and territorial integrity of Azerbaijan.

The republic intends to establish its own national cadres, said Musayev. Officers will be trained in the higher command military school named after the Azerbaijani Supreme Soviet. The corresponding agreement has been signed with military academies of the CIS [Commonwealth of Independent States] states-members, first of all with Russia. The Caspian Red Banner Navy Academy will continue to train personnel both for the republic and the CIS members on a contractual basis.

According to Musayev, at present, the republican Defense Ministry is deciding the issue of calling off officers—Azerbaijani nationals—from other territories of the former USSR. Musayev stressed that non-Azerbajani nationals will also serve in the republican armed forces, on their consent.

Musayev noted that the military command of the Caucasus Military District, as well as military units and formations located in the territory of Azerbaijan, continue to refuse to obey to the law of the Azerbaijani Republic on nationalization of military equipment and armaments, referring to an order from Yevgeniy Shaposhnikov, the CIS commander-in-chief. Musayev stressed that servicemen of the former Soviet Army have been blocking inventories which causes a negative attitude of the population with respect to servicemen.

Gasanov: Republic 'Will Not Pay' USSR Debt

LD1102053592 Moscow POSTFACTUM in English 1926 GMT 9 Feb 92

[From the "External Economic Relations" section: "Azerbaijan Will Not Pay Its Part of USSR Debt"]

[Text] Baku—Azerbaijani prime minister stated that the republic will not pay R3 billion [rubles] as part of USSR debt. On February 8, Azerbaijani Prime Minister Gasan Gasanov told a press conference for Turkish and Azerbaijani journalists that contacts between Azerbaijan and the US are being strengthened. According to the prime minister, Azerbaijan's economic development mostly depends on the size of foreign investments in the republic. Gasanov stated that the republican raw materials, i.e. cotton, oil, etc., will not be exported from the republic and the materials will be used for production of for-export goods.

Gasanov Receives U.S., Turkish Delegations

NC1102083592 Baku Radio Baku Network in Azeri 1800 GMT 7 Feb 92

[Text] On 6 February, Prime Minister Gasan Gasanov received the economic adviser and the first secretary of the U.S. Embassy in Ankara, who arrived in Baku together with a large group of U.S. and Turkish business representatives. Gasanov briefed the diplomats and the other guests on the situation in the region. He also said: More than 80 countries have recognized Azerbaijan's independence. The republic is currently broadening its business, political, and cultural relations with them. This process is gradually gaining momentum. The current visit of the Turkish and U.S. businessmen to Azerbaijan proves that the two countries are interested in establishing cooperation with our republic.

Gasanov asserted that Azerbaijan is ready to cooperate with the Western and Eastern countries and expressed the hope that diplomatic relations will be established between Azerbaijan and the United States soon.

The U.S. diplomats thanked him for the detailed information and noted that it significantly added to their positive views of Azerbaijan. The meeting was held in a pleasant and sincere atmosphere.

CIA Accused of Seeking To Separate Nakhichevan

LD1102123692 Moscow Russian Television Network in Russian 1100 GMT 11 Feb 92

[From the "Vesti" Newcsast]

[Text] The Azerbaijan News Agency TURAN today circulated an address from the Commonwealth Society [not further identified] and from a number of people's deputies of Azerbaijan. It contains a warning to Boris Yeltsin about hasty steps over the Karabakh issue. The address contains an appeal to support the Azerbaijani people in its struggle against Armenian aggression.

Quoting a people's deputy of Azerbaijan, the same agency reports that the CIA is devising a plan of action to tear the Nakhichevan Republic away from Azerbaijan. According to the people's deputy, official representatives from the United States who visited Nakhichevan assured Geydar Aliyev that should Nakhichevan be declared an independent republic, the United States will recognize it.

Georgia

Sigua Interview Optimistic About Future

LD1002181592 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1600 GMT 10 Feb 92

[From the "Novosti" newscast]

[Text] A news conference has been held at the Georgian permanent mission in Moscow by Tengiz Sigua, acting prime minister of Georgia. In his speech and responding to numerous questions from journalists, Sigua stressed that Georgia inherited from the overthrown Gamsakhurdia regime an economic collapse, empty public coffers and exhausted supplies of food and energy resources. As a result, representatives of the Georgian leadership are now conducting intensive talks with member countries of the CIS [Commonwealth of Independent States].

Sigua will meet today with Boris Yeltsin. Georgia plans in February to arrange relations regarding reciprocal deliveries of goods with Russia, the Ukraine, Moldova and Azerbaijan.

In the meantime, delegations from Georgia are in the United States and Iran, for the purpose of obtaining credits and economic aid for Georgia. In Iran, in particular, agreement has been reached in principle on the signing of a contract on the supply to Georgia of Iranian natural gas as exchange payment for the transportation by rail of transit freight from Iran to Black Sea ports.

Sigua said the political situation is stabilizing and there are no centers of resistance. All airports are operating. The provisional political council of the republic, which comprises all the former regime's opposition parties, has begun to carry out democratic reforms. Land reform is being implemented and housing and state property are being privatised. Talks have begun with South Ossetia at which Georgia has put forward a proposal on a memorandum on a cease-fire in order to prevent bloodshed. Sigua denied a report that the Military Council is holding talks with Gamsakhurdia. The leadership of Georgia is examining the issue of joining the CIS.

In conclusion he said:

[Begin Sigua recording] Georgia should be a parliamentary republic. Of course, there is no readiness for a monarchist structure in the republic. But this is a matter for the future. It gives me pleasure to be able to invite you all to spend your summer holiday next year, not next but this year, at Georgia's resorts. [end recording]

Stabilization by 'Mid-March'

LD1002143192 Moscow TASS in English 1347 GMT 10 Feb 92

[By TASS-ITAR correspondent Igor Gvrtishvili]

[Excerpts] Moscow February 10 TASS—The situation will stabilise in Georgia by mid-March, Tengiz Sigua, prime minister of the temporary Georgian government, said.

Speaking at a news conference on Monday [10 February], he said the last resistance forces in western Georgia have been defeated. Airports and railways have resumed regular service.

Sigua described the economic situation in the republic as extremely difficult. There is a severe shortage of sugar, butter and grain in the republic. Sigua expressed hope that Georgia's recent agreements with Commonwealth states will help improve the situation. Russia agreed to continue its supplies to Georgia at 70 per cent of its last year's level.[passage omitted]

Speaking on relations with South Ossetia, Sigua said the Georgian leadership is ready to begin talks with Ossetia, however there has been no reply from Tskhinvali.

Sigua said ousted president Zviad Gamsakhurdia and his family are currently staying in the Chechen Republic. Gamsakhurdia has sent several emissaries requesting permission to flee to the West. Sigua said the Georgian government will issue such a permission if it receives a written request from Gamsakhurdia.

Foreign Investment Vital

OW1002153392 Moscow INTERFAX in English 1347 GMT 10 Feb 92

[Transmitted via KYODO]

[Text] Speaking at a Moscow news conference on Monday [10 February], T. Sigua said only foreign investment could breathe a new life into the Georgian economy.

He said matters of this kind were now under discussion by representatives of Georgia and the Europarliament. A Georgian delegation would pay a visit to the United States in the near future. Also under consideration was the prospect of getting Arab capital—notably, Kuwait's—into Georgia. An Iraqi delegation was scheduled to arrive in Tbilisi shortly to discuss, among other things, the supply of natural gas to Georgia, T. Sigua said.

Provisional Government Statement Circulated

LD1002174292 Moscow TASS International Service in Russian 1506 GMT 10 Feb 92

[By ITAR-TASS correspondent Igor Gvritishvili]

[Text] Moscow, 10 Feb (ITAR-TASS)—"As soon as the sociopolitical situation in Georgia is stabilized, the Military Council will hand over full power to a provisional government, which will hold free democratic elections to the parliament on a multiparty basis no later than autumn 1992," says a statement by the republican provisional government circulated here today.

The document notes that the provisional government has taken the first steps toward democracy in public life. In one of its first decisions the government gives up monopoly rights to the mass media. All newspapers and magazines are now independent. The functioning and registration of political parties suspended by the former authorities are restored. Higher educational establishments are granted full autonomy.

The provisional government intends in the very near future to begin the privatization of state property. A decision has been passed on the transfer of housing and land to the personal property of the population free of charge.

As one of the legal successors to the former USSR, the Republic of Georgia intends to abide rigorously by the obligations resulting from this fact. In accordance with the fundamental principles of international law, the provisional government of the Republic of Georgia declares its consent to pay a proportional share of the foreign debt of the former USSR. On the other hand, in accordance with the very same principles, the Republic of Georgia states its right to receive a proportional share of the financial means, property, or various valuables which belonged to the former USSR and its structures, and also of the debt of other states to the former Soviet Union.

The provisional government regards the matter of Georgia joining the Confederation of Independent States as the prerogative of a future parliament.

Commonwealth Documents Studied; Prospects Good

OW1002150792 Moscow INTERFAX in English
1347 GMT 10 Feb 92

[Transmitted via KYODO]

[Text] Tengiz Sigua, premier of the Georgian Provisional Government, has told IF [INTERFAX] that Georgian leaders are studying the documents on the formation and performance of the Commonwealth of Independent States, with a view to defining the republic's attitude to the CIS.

He said the preliminary conclusions were in favor of Georgia's joining the Commonwealth, but the final say was reserved for the parliament. According to Sigua, a new body of parliament will be elected in May or June.

Food Imports Agreement Joined

OW0902154692 Moscow INTERFAX in English
1337 GMT 9 Feb 92

[Transmitted via KYODO]

[Text] The head of Georgia's provisional-government Tengiz Sigua who took part in Saturday's [8 February] meeting of the Council of CIS [Commonwealth of Independent States] prime ministers held in Moscow has said in an exclusive interview for IF [INTERFAX] that his republic signed the agreement on centralized imports of foods, agricultural raw materials and ppestcides to be covered by foreign credits. This involves credits granted not only to CIS members, but also to Georgia, he explained.

Georgia's interim prime minister also said that if he is invited to the next meetings of CIS leaders, he will attend them. He intends to take part in the summit to be held in Minsk on Friday [14 February], he pointed out.

With reference to developments in Georgia Tengiz Sigua said that the last pocket of resistance put up by Gamsakhurdia loyalists in Sukhumi was liquidated, and that his government is in full control of the situation.

The full text of T. Sigua's exclusive interview will be presented in Monday's [10 February] edition of our "Presidential Bulletin".

'Mkhedrioni' Units, Guards at Russian Border

OW1002142292 Moscow INTERFAX in English
1347 GMT 10 Feb 92

[Transmitted via KYODO]

[Text] Units of the national guard and the paramilitary organization "Mkhedrioni" came out on February 9 to the borders of Georgia and Russia on the Psou river. From now on, they will, together with the Abkhazian police, control entrance into and exit from Georgia, a spokesman for the press service of the republican Military Council told IF [INTERFAX]. According to the press service, the situation in the western city of Senaki remains tense. Presidential supporters have resorted to provocation, not letting the shops open and upsetting the work of enterprises. Unidentified people exploded a grenade in the yard of a Military Council official and blew up a railroad section on the level crossing Ingiri-Tsatskhvi, stopping the traffic for a few hours. According to the commandant's headquarters in Senaki, as of Monday [10 February] the state of emergency imposed on the city will be toughened. The provocators whose names are known are expected to be arrested. Some 1,500 supporters of Zviad Gamsakhurdia held a rally in Sukhumi, Abkhazia, on Sunday. They demanded the withdrawal of Georgian government troops from the Abkhazian territory.

Gamsakhurdia Accuses CIS of Coup Recognition

OW1002180092 Moscow INTERFAX in English
1604 GMT 10 Feb 92

[Transmitted via KYODO]

[Text] Georgian President Zviad Gamsakhurdia, who fled Tbilisi in January, accused members of the CIS [Commonwealth of independent States] of silently recognizing the "coup in Georgia." Gamsakhurdia indicated that the CIS expressed their acceptance by allowing a representative of Georgia participate in the meeting of CIS leaders (the meeting took place on February 8 and was attended by Georgian Premier Tengiz Sigua—IF [INTERFAX]). Gamsakhurdia's accusation was made in a letter to participants of the meeting of CIS leaders set for February 14 in Minsk. The director of the Georgian president's press center in Groznvi, Manada Dzodzuashvili, received the letter on February 10. Dzodzuashvili offered no comment to the INTERFAX correspondent as to Gamsakhurdia's whereabouts, saying only that she had arrived from Senaki (western Georgia).

"If the CIS considers itself legal and democratic it shouldn't legalize and legitimize the actions of state criminals and members of the mafia by allowing them to attend official meetings and encouraging and sanctioning an anticonstitutional, anti-national coup in a neighboring nation," Gamsakhurdia stressed in the letter.

Gamsakhurdia stated that the temporary government of Georgia is created by "the criminal military junta" which has no legal right to represent Georgia.

Negotiations Did Not Occur

AU1002143592 Tbilisi Radio Tbilisi Network in Russian 1320 GMT 10 Feb 92

[Text] Yesterday, Tengiz Dikhamindzhiya, representative of the parliamentary faction Charter-91, informed the public of his return from the trip he made in order to hold negotiations with the ex-president, Zviad Gamsakhurdia. As was reported earlier, the initiative to hold negotiations came from the supporters of the former president. However, after a representative of the faction, together with Birdzina Georgobiani, a member of the bloc Roundtable-Free Georgia, went to the appointed place, it turned out that it had first been necessary to fulfill a number of conditions. Incidentally, Tengiz Dikhamindzhiya did not mention what kind of conditions had been meant. Well, as one of these conditions was being fulfilled, the meteorological conditions made it impossible for the participants in the negotiations to accomplish their intentions.

Gamsakhurdia Interviewed

LD1002231792 Moscow Russian Television Network in Russian 2000 GMT 10 Feb 92

[From the "Vesti" newscast]

[Text] Georgian Acting Prime Minister Sigua, who was in Moscow, stated that Zviad Gamsakhurdia is now in the Chechen Republic. To all appearances, from the many versions about Zviad Gamsakhurdia's whereabouts, this version is the most correct. At any rate, it is precisely from the Chechen Republic that we received an interview with the overthrown president of Georgia today.

[Begin recording] [Gamsakhurdia] It was difficult for me to leave my motherland, but I saw that if I did not do that, there would be even more of a national tragedy, even genocide. I wrote a letter to President Yeltsin. Did you read it in the newspaper GOLOS CHECHENO-INGUSHETII [VOICE OF CHECHENO-INGUSHETIA]

[Unidentified reporter] Yes.

[Gamsakhurdia] I showed bluntly that the confusion is ensuing directly from Russia, with the help of Soviet troops. It is inspired from there. They punished all of us because we wanted independence. On the 21st I was invited to Alma-Ata, but I did not go. I did not go because it was physically impossible, even if I had wanted to. They created such a situation for me there. On the 22d they already had started bombing.

[Reporter] How are you preparing to continue your struggle?

[Gamsakhurdia] I plan to continue with words, with exposure, by attracting the attention of the world public, and by showing all that happened and what is the underlying cause, who is directing it, and why that is being done. [end recording] [video shows Gamsakhurdia in a room being interviewed; the letters "WTN" can be seen in the right-hand corner of the screen]

'Isolationist' Economics Blamed for Conditions

OW0802045892 Moscow INTERFAX in English 1935 GMT 7 Feb 92

[Transmitted via KYODO]

[Text] In an interview with INTERFAX, the first Deputy Premier of the temporary Georgian government Otar Kvilitaya stated that the critical conditions characteristic of CIS [Commonwealth of Independent States] nations are even worse in Georgia. This he attributes to the fact that the former leadership practised isolationist economic policy. As a result, said Kvilitaya, the economy is in ruins, the treasury is empty and we must start from ground one.

Kvilitaya believes the answer lies in restructuring the economy and developing the service sector. However guaranteeing internal stability in the country is of primary importance. Many potential investors in Georgia's economy demand the same.

Ministers of Agriculture, Economy Appointed

AU0702103992 Tbilisi Radio Tbilisi Network in Georgian 0500 GMT 7 Feb 92

[Text] The Republic of Georgia Military Council, on the recommendation of Tengiz Sigua, acting prime minister of the Republic of Georgia, has appointed Nodar Ambrosi dze [son of Ambrosi] Chitanava as acting minister of agriculture and forestry of the Republic of Georgia.

The Republic of Georgia Military Council, on the recommendation of Tengiz Sigua, acting prime minister of the Republic of Georgia, has appointed Anzor Mikhail dze [son of Mikhail] Chilikadze as acting minister of foodstuffs and the processing industry of the Republic of Georgia.

The Republic of Georgia Military Council, on the recommensdation of Tengiz Sigua, acting prime minister of the Republic of Georgia, has appointed Omar Giorgi dze [son of Giorgi] Vardelashvili as acting minister of economy of the Republic of Georgia.

Delegation Visits Spain To Seek Out King

LD0802055992 Madrid RNE-1 Radio Network in Spanish 2300 GMT 7 Feb 92

[Text] The leader of the National Democratic Party of Georgia, Giorgi Chanturia, arrived at Madrid's Barajas airport tonight at the head of a delegation which is going to ask 20-year old Irakli Bagration—son of the former rally driver Jorge de Bagration—to accede to the throne of that country. In principle, the throne in direct line would go to his father, Jorge de Bagration, who never hid his aspirations. However, it seems that Georgia's monarchist politicians want the young Irakli to occupy the throne. A report on this from Hector Arenas at Barajas airport:

[Arenas] Tonight a Georgian delegation arrived in Madrid from Moscow. The delegation will meet with the Bagration family, who live in Marbella, with the aim of crowning in the future one of the members of this family as king of Georgia, the former Soviet state.

Speaking on behalf of the delegation on its arrival at Barajas Airport, the president of the National Democratic Party apologized for not making statements to the journalists waiting for him, saying that he does not want to anticipate events before he has met with Jorge Bagration and his family. During his stay in Madrid, he will give a minimum of two interviews to journalists; these interviews will be respected regarding all questions [as heard].

The Georgian representatives who arrived in Madrid tonight, who belong to the Monarchist and National parties, will raise the need for the children of Jorge Bagration and Mercedes Ornosa—Irakli, 19; and David, 16; together with Juan, the children's cousin—to go to Tbilisi soon for a long stay in order to be able to adapt to the language, climate, and traditions, and in the future to put themselves forward for the Georgian throne after a popular referendum.

Envoy to Iran Meets Deputy Foreign Minister

LD0602194392 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1030 GMT 4 Feb 92

[Text] Mr. Tamaz Gamkhrelidze, a member of the Provisional Political Consultative Council of Georgia and that country's envoy, this morning met with Iranian Deputy Foreign Minister Besharati. The Georgian envoy expressed the Georgian Government's interest in the expansion of all-embracing relations, notably in the economic and cultural fields. He commented on Georgia's current situation and parliamentary elections, and emphasized that Georgia's relations with the Islamic Republic of Iran are not dependent on changes or upheavals.

Mr. Besharati, while welcoming the Georgian delegation visiting Tehran on the occasion of the joyous 10 Days of Dawn celebrations, expressed the hope that the Georgian nation will be able to overcome its problems as quickly as possible. He declared the Islamic Republic of Iran's readiness to expand cultural, economic, and political realtions.

Latvia

Acute Fuel Shortage Affects All Industries

Godmanis Meets Businessmen

LD0802202592 Riga Radio Riga International in English 2130 GMT 7 Feb 92

[Text] Latvia's Prime Minister Ivars Godmanis once again met with private businessmen in the fuel supply trade and gave permission for the free and unlimited purchase of petrol in Russia, on condition that this supply purchased by private firms is not included in the quota which the Russian Federation has promised to give Latvia. In return the government promised to support loans for private companies and to help in the setting up of private filling stations. Prime Minister Godmanis also stated that he would go to some Middle East countries with the aim of securing enough petrol for the spring.

All Flights Grounded

LD1102001592 Riga Radio Riga International in English 2130 GMT 10 Feb 92

[Text] Oil crisis is still continuing in Latvia. At present not a single region in the country is supplied by the necessary amount of energy resources. The whole [of] Latvia's industry is on the brink of stopping its operation. There is no energy resources even for heating a number of secondary schools. At his recent speech, Latvian Premier Ivar Godmanis considered that the situation may become even worse. As a result of oil shortages, all flights from Riga to the cities of the former USSR have been cancelled. The same refers also to flights to the neighboring Estonia and Lithuania. Leonis Andres, director of the Riga airport, informs that only international flights are currently functioning.

Godmanis To Visit Egypt, Yeman

LD1102102992 Moscow TASS in English 0941 GMT 11 Feb 92

[Text] Riga February 11 TASS—Latvian Prime Minister Ivar Godmanis is to leave for Egypt and Yemen today. He will try to find ways to resolve the fuel problem in Latvia, which is suffering from an acute shortage of power resources.

Talks on this subject were completed the day before with several German firms. A contract for the delivery of 6,000 tonnes of petrol to Latvia has been concluded. One tonne of AI-93 grade petrol will cost the republic 227 U.S. Dollars, including transportation. The first tanker has already cast anchor in the port of Ventspils. The second one is expected to arrive within the next few days. The fuel is decided to go for medical transport services, the police and farms that are badly in need of it on the eve of the spring sowing campaign.

Parliament Asks CIS States To Recall Troops

LD0902025692 Moscow Radio Rossii Network in Russian 1000 GMT 7 Feb 92

[Text] Latvia's Supreme Soviet has appealed to the parliaments and governments of the Commonwealth of Independent States [CIS] states to recall without delay the officers and soldiers called up to the Armed Forces of the former Soviet Union from the territories of the CIS countries and doing their military service on Latvia's territory. This is reported by the (?RIKA) agency.

Ambassador to Russia Interviewed on Relations

MK0802100592 Moscow NEZAVISIMAYA GAZETA in Russian 8 Feb 92 p 3

[Interview with Janis Peters, Latvian ambassador extraordinary and plenipotentiary to the Russian Federation, by Andrey Sorokin; date and place not given: "With Consideration for 'Proletarian Origins.' Janis Peters, Latvian Ambassador Extraordinary and Plenipotentiary to Russian Federation, Gets Most Troublesome Area of Latvian Diplomacy"]

[Excerpt] [passage omitted] [Sorokin] I remember during the last few years that you cohabited with the USSR that Latvian-Russian relations were exceptionally affectionate. The expression "honeymoon" has even been used since August. Then, to put it mildly, certain misunderstandings set in...

[Peters] The everyday life that always sets in after the honeymoon simply began. It turns out that it is far more complex than it seemed during the period of the "perestroyka romance"—the victory of democracy in Russia and the restoration of Latvian statehood. In actual fact, we still have to learn civilized economic and political relations.

In my view it is better that we now often argue with Russia, sometimes even with raised voices. We were once an independent state and neighbors with Stalin's Union. We were quiet neighbors, and there were no mutual recriminations or claims. Only we remember how it all ended.

I think that everything will ultimately turn out fine. Because Russia and Latvia do not in principle have a reason for conflict. I think that we are made to cooperate and respect one another—two Christian European countries. The only difference being in the size of our populations. Today that is not important in my view. I would even say that relations between small and large nations should in time be a measure of a particular society's democracy and culture.

Although, needless to say, there are a number of principled positions in Russian-Latvian relations on which we must hold several meetings.

[Sorokin] Which precisely?

[Peters] We must finalize the process of the Soviet Army's withdrawal from Latvian territory and bring to a logical conclusion the question of the Abrenskiy District [Uyezd]. It must be settled fairly: If the Stalinist regime's crimes are to be set to rights, this must be a consistent, not a selective process. We know that Stalin laid a fuze on the map beween Russia and Latvia in the Abren region—as he did all across the map of the Union. Obviously, we will talk about property. And another thing: There is of course the question of citizenship. Although I think that this is our internal issue, it is of practical, direct concern to people of many nationalities with their roots in Slav countries. But I hope that this will be am amicable discussion involving international organizations and experts. I very much believe that the draft law on Latvian citizenship will be considerably improved on its second and third readings in our parliament.

[Sorokin] Working discussions at diplomatic level between Latvia and Russia sometimes elict an extremely emotional reaction in Riga. Do you often hear complaints in Moscow from Russian colleagues and receive notes of protest or do you, on the contrary, send them?

[Peters] Well, the Latvian Foreign Ministry itself sends notes; we only supervise their travels around the offices. But during conversations and at receptions we hear various opinions from officials. Today the general director of a major plant telephoned—regarding the question of property on the republic's territory. In my opinion, there is no need at all for various contentious issues to reach the point of notes, offical protests, and so on. I try to eliminate possible conflict situations where possible during working contacts with interested parties.

Incidentally, I never try to take a tough line and prove that the Latvian side is totally right. If I entertain doubts here, we are said to have been hasty. It should not be forgotten that a political struggle is also under way in Latvia, where matters pertaining in one way or another to Russian interests constitute a trump card of no small importance. We should therefore not take too much to heart the expressions used by any radical wing—left or right.

Protocol With China Broken by Taiwan Contact

Ambassador's Accreditation Delayed

OW0802032592 Moscow INTERFAX in English 1420 GMT 7 Feb 92

[From the "Diplomatic Panorama" feature; transmitted via KYODO]

[Text] China has delayed the accreditation of its ambassador to the Republic of Latvia. This can be viewed as a demarche on the part of Beijing prompted by its dissatisfaction with Latvia's recent decision to establish consular ties with Taiwan. The 1991 protocol on establishing diplomatic relations between China and Latvia specifies that Latvia will refrain from maintaining official contacts with Taiwan, at least in the near future.

In the meantime Latvia's Foreign Minister Janis Jurkans believes, judging by what he told newsmen in Riga, that so far Latvia "has not failed to observe" its agreements with China. However he made it clear that Riga is interested in developing contacts with Taipei regardlessly. Taiwan, said J. Jurkans, promised to give Latvia "substantial" financial aid and assistance in resolving its fuel crisis.

Statement on Relations

LD1002230192 Riga Radio Riga International in English 2130 GMT 10 Feb 92

[Text] Latvian Ministry of Foreign Affairs has issued a statement declaring that the Republic of Latvia will benefit from maintaining good and constructive relations with both China and Taiwan. The statement came as a reaction on the Chinese Government's protest condemning Latvia for establishing diplomatic relations with Taiwan, which the Beijing authorities still consider to be an integral part of China. Latvian Foreign Ministry announced that it would abstain from any interference in the Chinese internal affairs, at the same time recognizing the Government of Taiwan, which exercises control over the territory of Taiwan and has its own independent internal and foreign policy.

Skrunda Radar Site Problem To Be Discussed

OW0902163692 Moscow BALTFAX in English 1554 GMT 9 Feb 92

[Transmitted via KYODO]

[Text] A meeting of Latvian MPs Mikhail Stepichev and Juris Dobelis with representatives of the Russian Federation to discuss operation and the status of a radar located in Skrunda are scheduled to take place in Moscow on February 10.

These issues have been dealt with by a special subgroup within the framework of the Latvian-Russian negotiations, Mikhail Stepichev told BF [BALTFAX]. The problem is that the Russian side insists that the Skrunda radar may become an integral part of a European security system, while Riga rejects the idea.

Stepichev does not rule out that "the Skrunda problem" may be discussed at a meeting of the Nordic Assembly scheduled to take place in Brussels on February 11 to 14.

Lithuania

Leaders, Quayle Hold News Conference

LD0702181492 Vilnius Radio Vilnius Network in Lithuanian 1345 GMT 7 Feb 92

[News conference given by U.S. Vice President Dan Quayle, Lithuanian Prime Minister Gediminas Vagnorius, and Lithuanian Supreme Council Chairman Vytautas Landsbergis at the Supreme Council building in Vilnius—live, passages in italics in English, with superimposed translation into Lithuanian]

[Excerpt] [Landsbergis] Ladies and gentlemen, now we will have a very short news conference, and we'd like to share our views on the relations between Lithuania and the United States and today's events. On behalf of myself, my colleagues, and the entire nation, I would like to express my pleasure that today we have a very dear and honorable friend with us, U.S. Vice President Dan Quayle. I had the first opportunity to meet with the vice president late in 1990 in the White House, and this meeting complemented the meeting I had with the President. My impression is that we had a longer talk with the vice president than with the President! [laughs]. I'm very pleased today to continue our personal discussion and personal friendship. The agreement I have signed today was the agreement on the activities of the Peace Corps' of the United States and Lithuania. I had to work on this issue for a period of time, and I'm very pleased to note that we now have an agreement signed.

[Vagnorius] Mr. Chairman, Mr. Vice President, ladies and gentlemen. On behalf of the government I had the pleasure and the honor today to sign an agreement with the vice president of the United States. It is an agreement on subsidies supporting the feasibility studies in the national economy of Lithuania. I am very pleased to note that it's my second agreement signed with the vice president. The first agreement was on the protection of investments, and this second agreement is to encourage feasibility studies and trade relations for our country. I hope that this agreement will help draw the attention of the world community, the businessmen of the world, to the favorable conditions being created in Lithuania for foreign investment. I would like to take this opportunity to express my gratitude to the U.S. Government for the care, support, and interest it has shown in Lithuania and the other Baltic states. I am also pleased that the U.S. Government has proposed to Lithuania that discussions on the trade and investment framework agreement be started. We are very pleased to accept this proposal. I would like point out that the Lithuanian Government, as well as the legislation of Lithuania, will ensure that there will be no discrimination against foreign capital in our country. The government once again notes that it is ready to guarantee all credits assumed by the enterprises situated on the territory of Lithuania. I hope this will improve our mutual understanding and trust. It is now my pleasure to pass to Mr. Vice President.

[Quayle] *Thank you very much Mr. Prime Minister, Mr. President. President Landsbergis, thank you for those kind comments. May I say, sir, that I value your friendship and recognize that you are a genuine hero and patriot for your country. As I said at the airport, it is a great honor for me to be the first vice president ever to visit Lithuania, and my visit is to a free, independent, and democratic Lithuania.*

Four months ago I met the prime ministers of the Baltic nations in my home state of Indiana. We discussed the Peace Corps. Today we signed the agreement that stems from those discussions. Elaine Chao, the director of the Peace Corps, was in Indianapolis that day, and she is with me again today. The Peace Corps is a uniquely American institution and one that we are proud of. Peace Corps volunteers work on a community level, person to person, friend to friend. When they come to Lithuania this summer they will focus on teaching the English language, assisting in small business development, and addressing environmental issues. Today we have also signed two trade agreements that will bring American assistance to Lithuania to help improve your infrastructure. We are enormously pleased that these agreements could be reached so soon. Americans are honored to stand with you. The Peace Corps volunteers will now become acquainted with this wonderful country, your proud and decent people. [passage omitted]

Landsbergis Comments on Visit

LD0902184592 Vilnius Radio Vilnius Network in Lithuanian 0700 GMT 8 Feb 92

["Abridged" interview with Lithuanian Supreme Council Chairman Vytautas Landsbergis in Vilnius, date not given, on visit to Lithuanian by U.S. Vice President Quayle—recorded]

[Excerpts] [Landsbergis] America, where so many Lithuanians and Americans of Lithuanian origin reside, is a country which for 50 years has politically supported the right of Lithuania to be an independent country and did not recognize the Soviet Union's governing of Lithuania as being legal. This was a great help to us in regaining independence. When various countries in the world began recognizing the Lithuanian Governmemt and establishing diplomatic relations, it was not so very important whether the United States was among the first or whether it waited and watched how this process was developing. Maybe, while contacting the Soviet Union, the United States was planning the time to take this step.

Our compatriots in America have been very concerned and were reproaching the U.S. President and the U.S. Government with regard to the fact that their country was not among the first to establish diplomatic relations. But I said at that time, and I remember it now, that matters haved already been settled and the fact of whether the American signature was among the first 10 or among the third 10 was no longer important, because America has contributed to the appearance of those signatures and to the fact that the seizure of Lithuania was never recognized.

We will remember this today when welcoming the U.S. vice president who, as we know, when the President is ill or cannot discharge his duties, becomes a president. He is an important political figure, and this visit is, above all, of great political importance. It may be that the supreme authority of the United Sates wishes now to show special attention to the Baltic states and sends the vice president to visit our countries and sign some agreements. It may be that this is linked with the coming elections in the United States. But this does not concern us. We regard it as an action of political support and an occasion to sign several documents which will facilitate Lithuanian-American trade and economic relations, will facilitate our life. We also will sign an agreement on assistance to Lithuania by the so-called American Peace Corps. The Peace Corps was set up by the well-remembered President John Kennedy. [passage omitted]

I remember how sincerely and nicely we welcomed former U.S. President Nixon; however, this title remains for life. People welcomed him, and the visit by President Nixon was an important political support to Lithuania. Now the present U.S. vice president, by visiting Lithuania, is repeating and consolidating this support and friendly relations.

Minister Rejects Accusation on Arms Sale

LD0702182492 Moscow POSTFACTUM in English 1945 GMT 6 Feb 92

[From the "Military News" section]

[Text] Vilnius—The Lithuanian state security minister rejects accusation that the republic is selling weapons. Addressing the 3d Congress of the Sajudis organization, Vice Premier of the Lithuanian Republic Zigmanas Vaishvila blamed the republic's state security minister, Audrus Budkiavicius, for the fact that the ministry's arms are finding their way to Transcaucasian paramilitary groups. PF [POSTFACTUM] has been told that members of the Lithuanian parliament's standing commission on interior affairs have come to the conclusion that the reports of Lithuanian weapons being sold to the conflicting groups in Transcaucasia do not correspond to the reality. The commission's conclusions are to be made public soon.

Prime Minister Views Economic Situation

PM0702133392 Vilnius EKHO LITVY in Russian 23 Jan 92 p 1

[V. Skripov report: "Alarming Symptoms"]

[Text] The speech to the Supreme Council session delivered by Prime Minister G. Vagnorius 21 January has produced many responses and is being commented on in lively fashion in the republic press.

The economic situation in Lithuania today does not yet require the introduction of a state of emergency, as in Estonia, but it is nevertheless a cause of serious concern. That was how the head of government described the situation in the republic.

Vagnorius cited as one reason the rupture of economic ties among producers because of resistance to implementing interstate treaties on the part of conservative forces in the middle tier of leaders in the former Union republics. Among the domestic reasons, attention focused on flaws in the lawmaking process, and weak executive discipline was also noted. Quite a few half-baked, poorly prepared laws which are at odds with existing ones are being passed. The pernicious practice whereby everyone looks after number one has developed at local level.

In the prime minister's opinion, much of the disorder in our life stems from the fact that the Supreme Council has not yet adopted a law on the operational activity of law enforcement agencies, without which their ability to act is virtually paralyzed.

Cadres are quite often appraised, G. Vagnorius noted, in terms of their political affiliation rather than their professional qualities.

The prime minister called on deputies to respond forthwith to the worsening situation by adopting measures which will ensure the normal functioning of the levers of state management. He stated that he is ready to present a list of rights with which the government should be vested if it is to implement the planned economic reforms. In particular, the right to discharge officials who fail to implement laws and government resolutions. It is also essential to discuss as a matter of urgency the draft law dividing up power at local level between local self-government and the soviets. Particular complaints were directed at the Lithuanian Bank Board, which the prime minister accused of incompetence and of virtually halting foreign trade transactions with the West.

If we are to prevent ourselves being dragged into an emergency situation, G. Vagnorius said in conclusion, the actual pace of parliamentary work must be changed: Minor items must be removed from the agenda, and the main ones concentrated on. He is ready to submit a list of the most pressing items to parliament and calls for the creation, together with deputies, of working parties to study and resolve them.